



BANK OF GEORGIA
GROUP PLC

INVESTOR PRESENTATION

1Q21 Financial Results

19 May 2021

www.bankofgeorgiagroup.com



This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: macroeconomic risk, including currency fluctuations and depreciation of the Georgian Lari; regional instability; loan portfolio quality; regulatory risk; liquidity risk; capital risk; operational risk, cyber-security, information systems and financial crime risk; COVID-19 pandemic impact risk; climate change risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports of the Group, including the 'Principal risks and uncertainties' included in Bank of Georgia Group PLC's Annual Report and Accounts 2020. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.

 **COVID-19 PANDEMIC AND MACROECONOMIC HIGHLIGHTS**

 **GROUP OVERVIEW AND STRATEGY**

 **1Q21 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

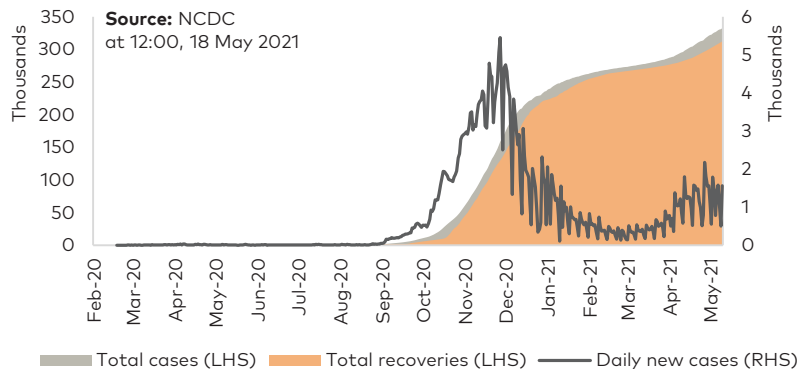
VACCINATION COMMENCED IN MARCH 2021

RESTRICTIONS GRADUALLY EASED FROM FEBRUARY 2021

GOVERNMENT SAFETY MEASURES

- Georgia was among the first countries to introduce strict virus containment measures, including border closures, curfew, ban on transportation, quarantines, nonessential business closures, among others
- The swift response helped to limit the spread of the virus in 1H20, but the surge in virus cases in autumn 2020 prompted for a partial second-round lockdown in December 2020 – January 2021
- Government started gradually lifting restrictions from 1 February 2021 and resumed flights to a number of countries. Vaccination programme commenced in March 2021
- The Government maintains an informational website that provides live statistics on the spread of the virus in Georgia – www.stopcov.ge

COVID-19 STATISTICS IN GEORGIA, PERSONS



COVID-19 STATISTICS IN GEORGIA

Source: www.stopcov.ge
at 12:00, 18 May 2021

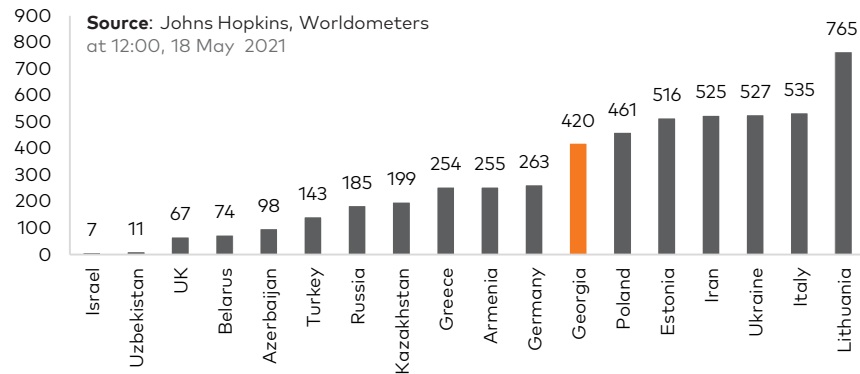
332,441
Confirmed cases

15,593
Active cases

312,349
Recovered

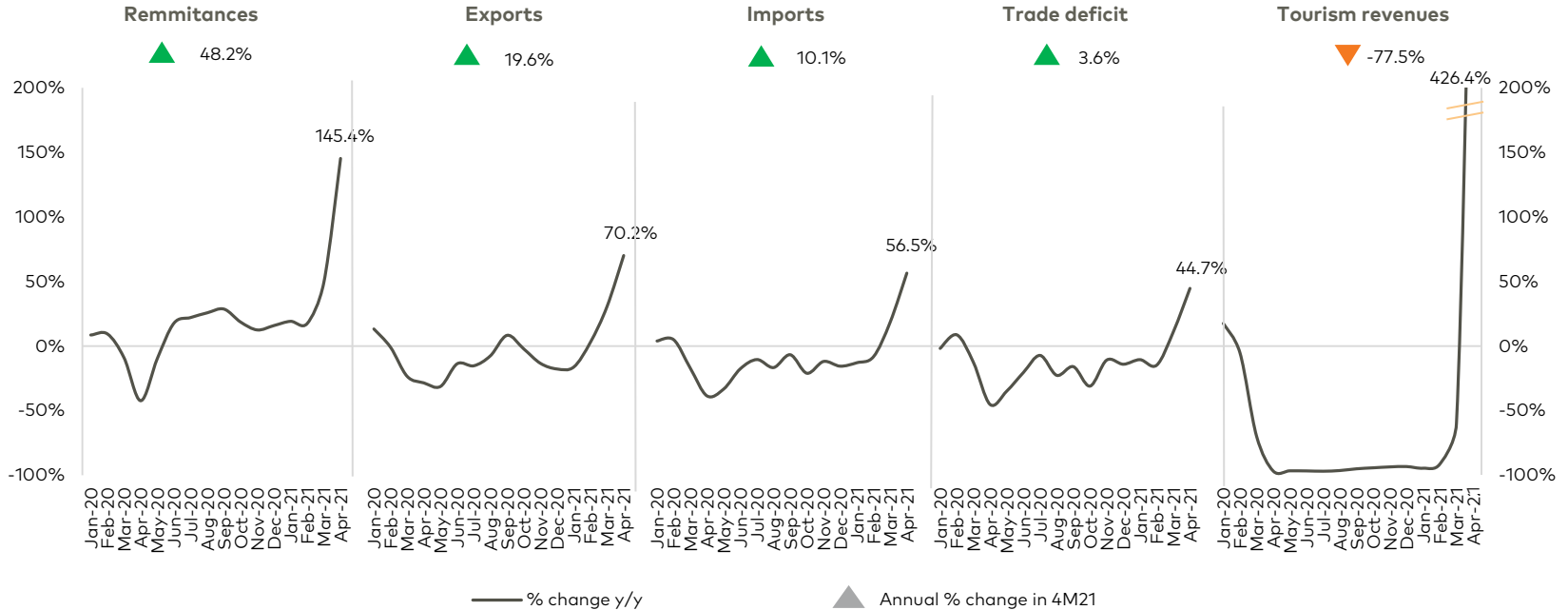
93,305
Total vaccinated

COVID-19 ACTIVE CASES PER 100,000 PERSONS



EXPORTS AND REMITTANCES CONTINUED STRONG GROWTH, IMPORTS ALSO INCREASED AMID REBOUND IN ECONOMIC ACTIVITY, TOURISM SHOWING PROMISING TREND

Source: Geostat, NBG, GNTA

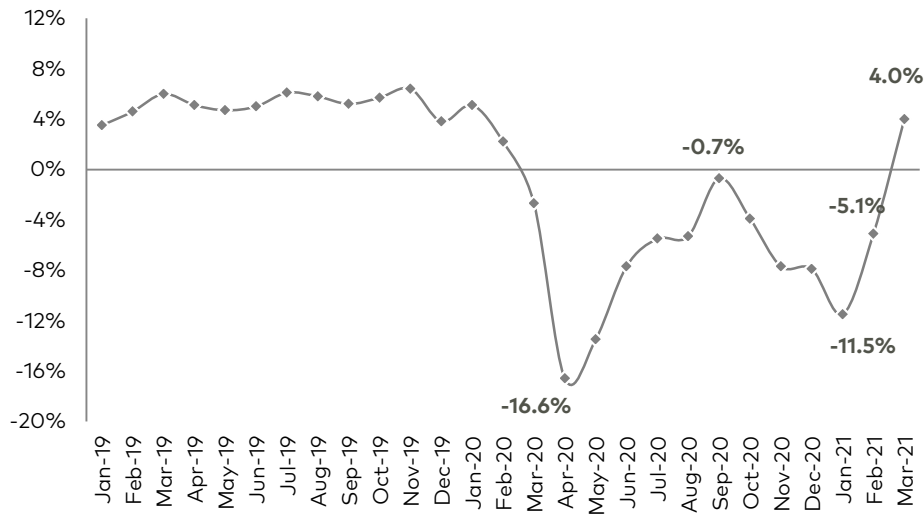


REAL GDP CONTRACTED BY 4.2% IN THE FIRST QUARTER OF 2021

- Exports were up 5.2% y-o-y, already approaching 2019 level
- Imports were down 2.4% y-o-y
- Trade deficit was down 7.3% y-o-y
- Remittances were up 28.4% y-o-y
- Tourism revenues were down 87.5% y-o-y

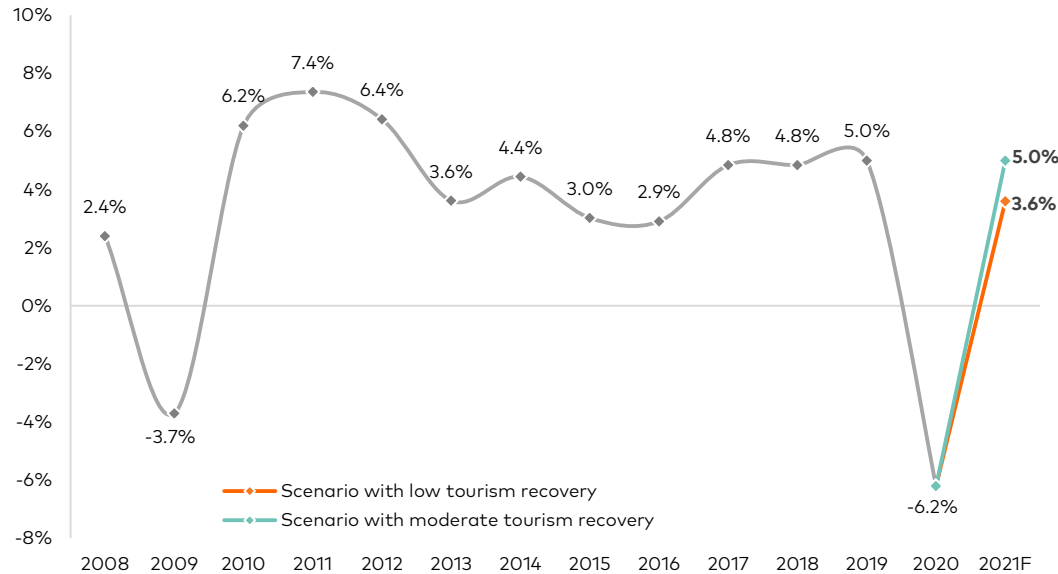
ECONOMIC GROWTH REBOUNDED TO 4.0% IN MARCH 2021, BEATING MARKET EXPECTATIONS

Source: Geostat



GEORGIA'S ECONOMIC GROWTH FORECAST

Source: Geostat, Galt & Taggart



- Our brokerage and investment arm, Galt & Taggart's forecasts:
 - With a slow return of international tourism, real GDP growth is expected at **3.6%**.
 - Georgia's economic growth is expected to rebound to 5.0% in 2021 assuming a moderate recovery in international tourism. Notably, in April 2021, tourist arrivals increased by 182% y/y, and if this trend continues realisation of 5.0% growth scenario is highly likely.
- International Monetary Fund (IMF) expects Georgia's real GDP growth at 3.5% in 2021 (forecast as of April 2021).
- National Bank of Georgia forecasts real GDP growth at 4.0% in 2021 (forecast as of April 2021).

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BANK OF GEORGIA
GROUP PLC

RETAIL BANKING

Mass Retail

SOLO

MSME

CORPORATE AND INVESTMENT BANKING

Corporate Banking

WM and Investment Banking

BNB

BANK IN BELARUS

BANK OF GEORGIA'S CREDIT RATINGS

Agency	Rating	Outlook
MOODY'S	Ba2	Stable
FitchRatings	BB-	Stable

A LEADING BANKING GROUP IN GEORGIA

- Top Systemically important financial institution in Georgia
- A leading market position by assets, loans and deposits
- Strongest retail banking franchise:
 - 40% market share in deposits of individuals
 - Most trusted bank in Georgia*
- Leader in payments and financial mobile app:
 - 51% BOG share in number of transactions in POS terminals
 - c.7mln transactions in mobile app per month
 - Strong digital offloading of customer activity to digital channels - c.96% of the daily transactions of individuals are executed through digital channels
- Sustainable high profitability with average ROAE of more than 20% over the last four years (Pre-COVID-19)
- Resilient credit profile: Well-capitalised, diversified and high quality loan book and strong liquidity profile
- High standards of transparency and governance: The first entity from Georgia listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006
- The Group continues to be included in the global responsible investment index **FTSE4Good**

* Based on Spring 2020 external research by IPM Georgia



TOP SHAREHOLDERS

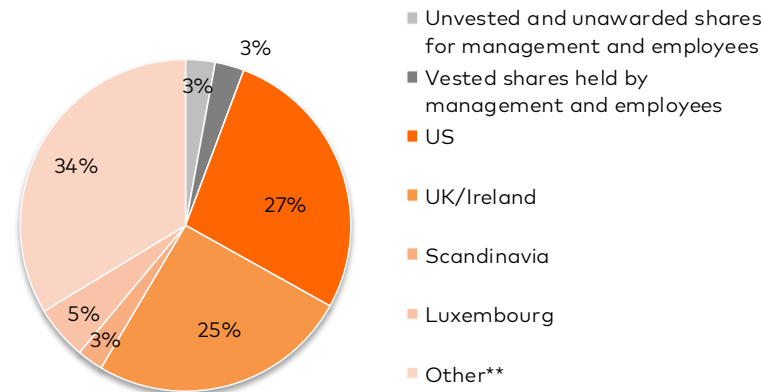
As of 31 Mar 2021

Rank	Shareholder name	Ownership
1	JSC Georgia Capital*	19.90%
2	Fidelity Investments	6.54%
3	Harding Loevner LP	4.45%
4	Van Eck Associates Corporation	3.26%
5	Dimensional Fund Advisors (DFA) LP	3.00%
6	Prosperity Capital Management Ltd	2.64%
7	Standard Life Investments	2.50%
8	Vanguard Group Inc	2.24%
9	M&G Investment Management Ltd	1.88%
10	Norges Bank Investment Management	1.83%
10	Firebird Management LLC	1.83%

* JSC Georgia Capital will exercise its voting rights at the Group's general meetings in accordance with the votes cast by all other Group Shareholders, as long as JSC Georgia Capital's percentage holding in Bank of Georgia Group PLC is greater than 9.9%

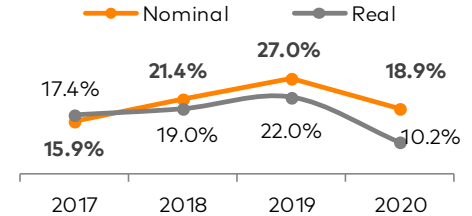
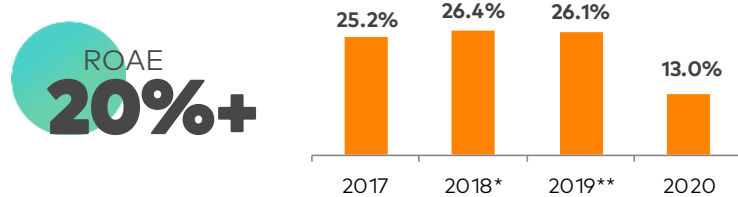
SHAREHOLDER STRUCTURE

As of 31 Mar 2021



** Includes 19.9% shareholding of JSC Georgia Capital

Key medium-term targets remain unchanged

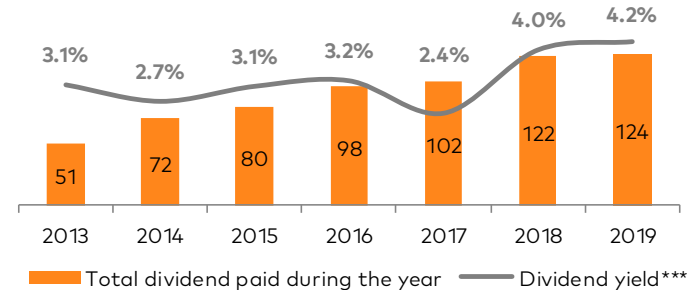


ROBUST CAPITAL MANAGEMENT TRACK RECORD

- **Capital position:** aiming to maintain **c.200bps buffer** for CET1 and Tier 1 capital ratios over minimum regulatory requirements in the medium-term
- **Maintain regular dividend payouts:** aiming **25-40%** dividend payout ratio. Resuming dividend payout depends on new capital requirements schedule to be released by the NBG
- **GEL 648mln+** cash dividend paid during 2013-2019, within the **targeted payout range**

REGULAR DIVIDENDS

GEL MILLIONS

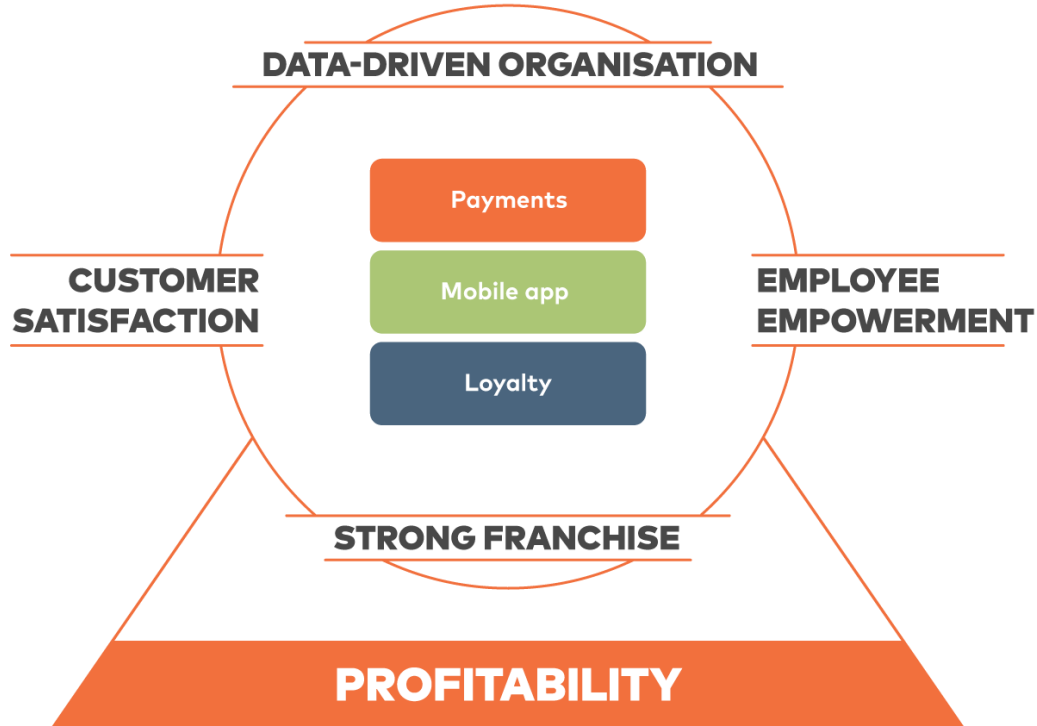


* Adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, GEL 30.3mln one-off impact of re-measurement of deferred tax balances and GEL 3.9mln (net of income tax) termination costs of the former CEO

** Adjusted for GEL 14.2mln (net of income tax) termination costs of the former CEO and executive management

*** Dividend yield is calculated based on the closing price of shares immediately prior to ex-dividend date

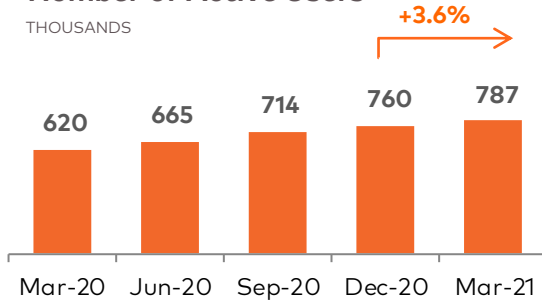
BANK OF THE FUTURE



MBANK/IBANK STATISTICS

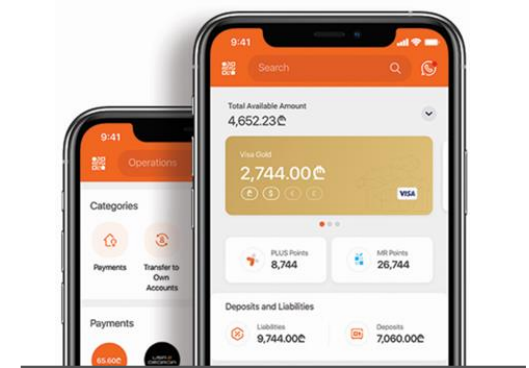
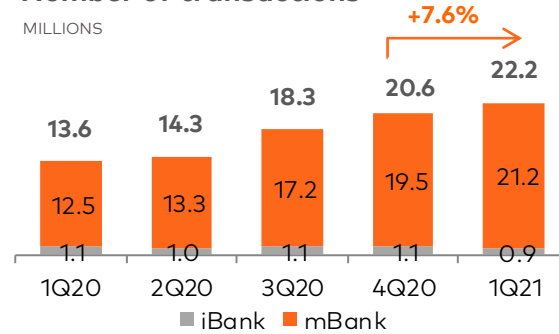
Number of Active Users*

THOUSANDS



Number of transactions

MILLIONS



c.7min

Transactions per month

85.8%

Customer Satisfaction Score



★★★★★ 4.7



★★★★★ 4.7

39.1%

Daily active users/monthly active users

**NEXT STEP:
BUILDING THE
SUPER APP**

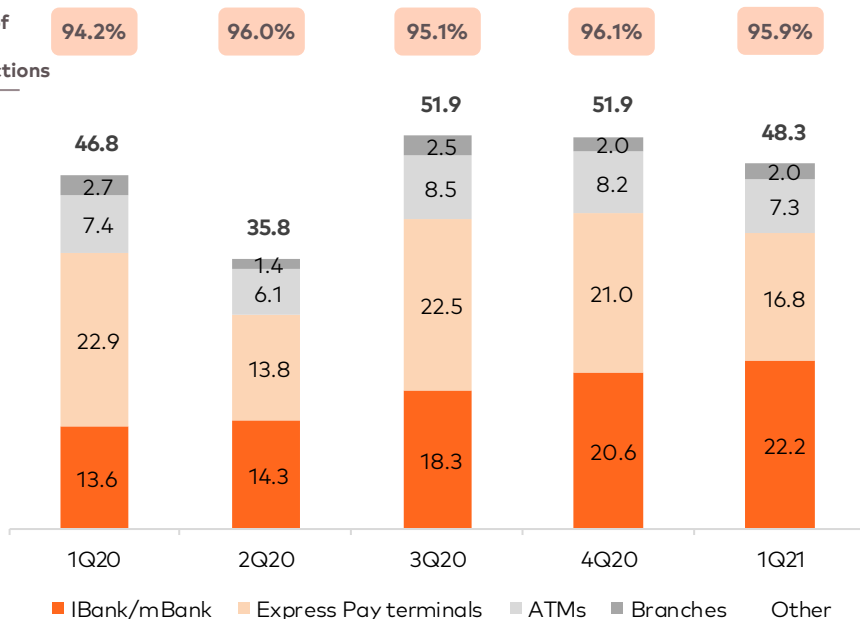
*Active user – at least one login in the past three months

Information on this slide depicts the usage of digital and non-digital channels by individual customers

NUMBER OF TRANSACTIONS

MILLIONS

Share of digital transactions



787k

mBank/iBank active users**
 +27.0% y-o-y
 +3.6% q-o-q

3,125

Express Pay terminals
 -1.8% y-o-y
 +3.5% q-o-q

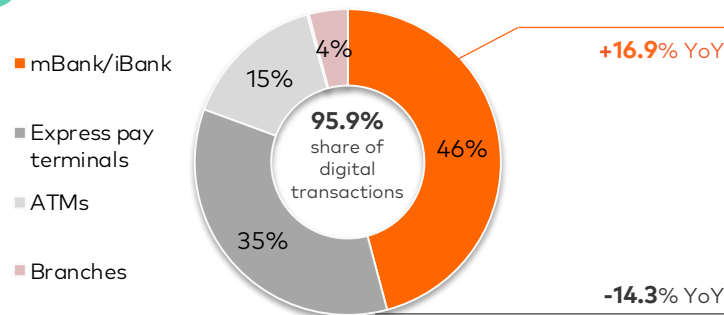
963

ATMs
 +2.6% y-o-y
 +0.3% q-o-q

206

Branches
 -9.6% y-o-y
 Flat q-o-q

Transactions breakdown by channel | 1Q21

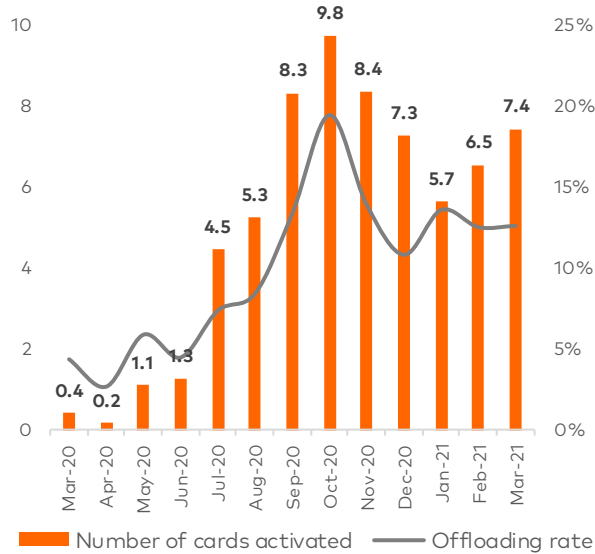


* Information on this slide depicts the usage of channels by individual customers
 ** The users that log-in in internet and mobile bank at least once in three months

Continuous migration of customers activity to mBank and iBank from Express pay terminals

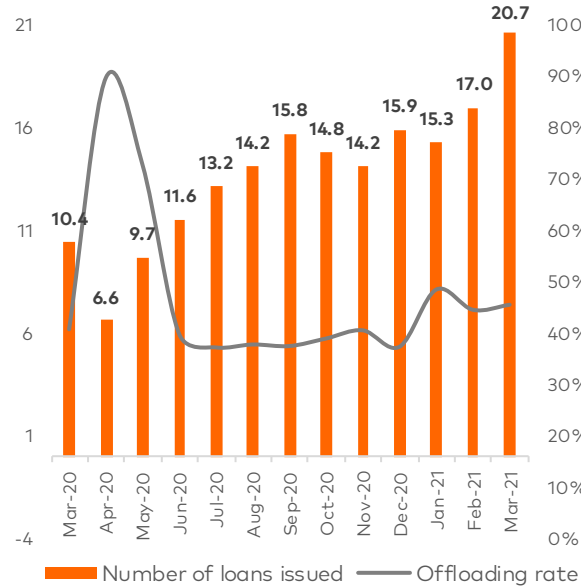
CARDS

THOUSANDS



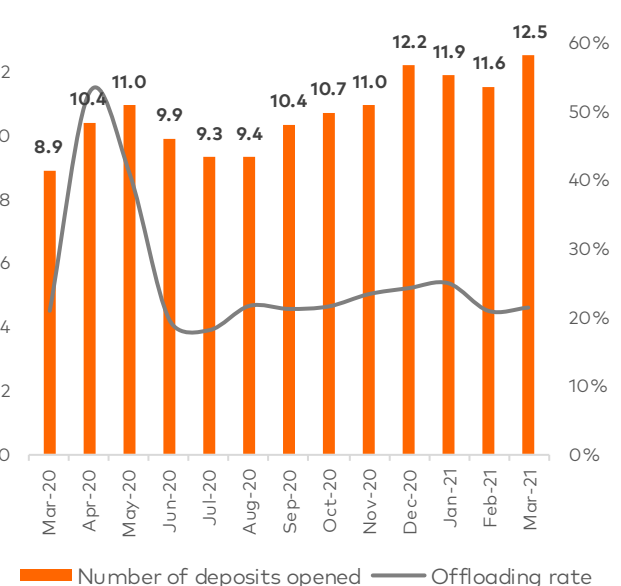
LOANS

THOUSANDS

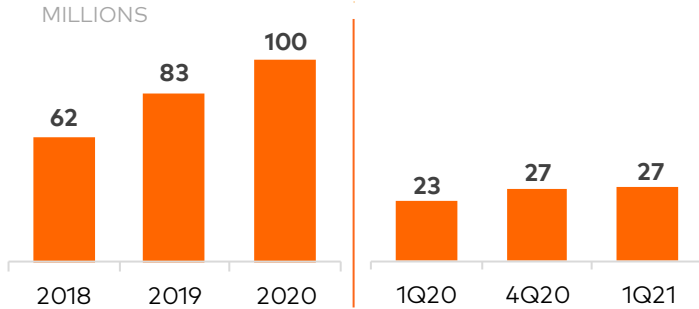


DEPOSITS

THOUSANDS



NUMBER OF PAYMENT TRANSACTIONS AT BOG TERMINALS

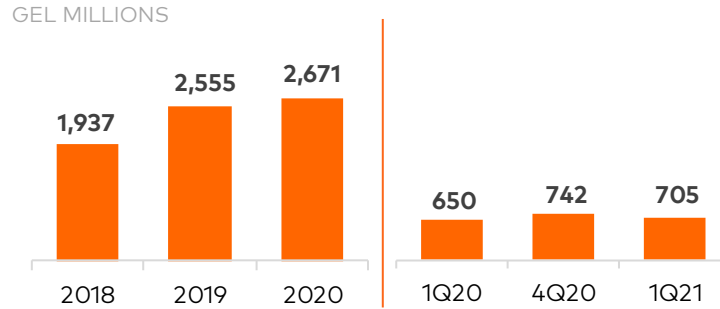


51%

Market share by number of transactions in POS terminals 1Q21*

+3pts YoY

VOLUME OF PAYMENT TRANSACTIONS AT BOG TERMINALS



49%

Market share by volume of transactions in POS terminals 1Q21*

+2pts YoY

30k+

Multifunctional POS terminals

2.4mln+

Mass Retail and SOLO customers

* Based on the National Bank of Georgia and Bank of Georgia data for 1Q21

MARKET POTENTIAL

c. 1.3 mln

Georgians living abroad in need of daily banking services

US\$ 1.9 bln

Transferred in 2020
+8.8% y-o-y

c.350 k

Customers with high potential for loans and deposits*

350k

Active customers

GEL1.7bln

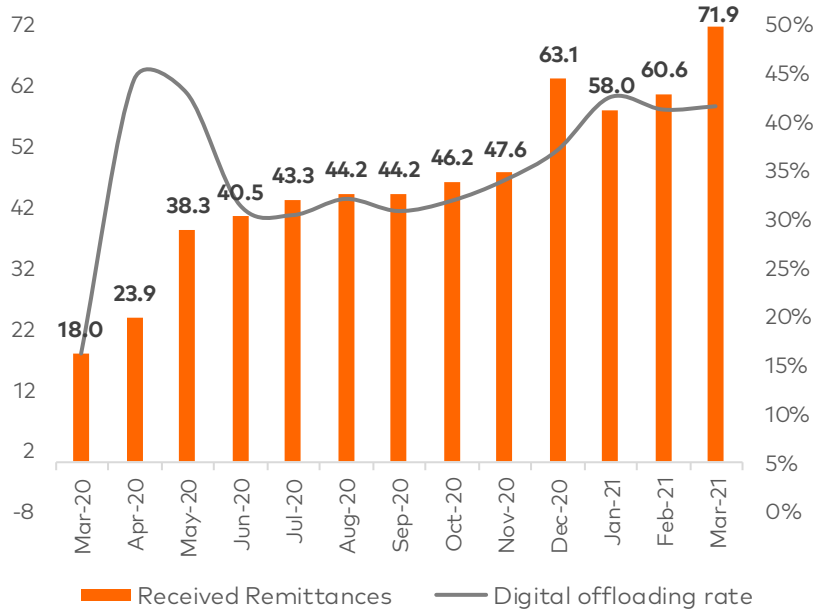
Loan portfolio

GEL1.5 bln

Deposit portfolio

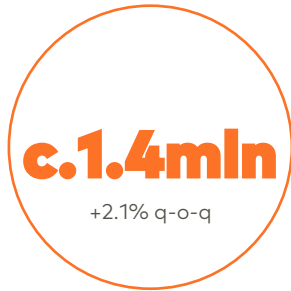
NUMBER OF RECEIVED REMITTANCES AT BOG THROUGH DIGITAL CHANNELS

THOUSANDS



* More than three transfers in the last 12 months

PLUS LOYALTY PROGRAMME – ONE OF THE STRENGTHS OF BANKS OF GEORGIA



active Loyalty programme members*



loyalty points exchange operations per month



worth of loyalty points exchange operations per month

ADVANCED ANALYTICS

for partner merchants

PERSONALISED

campaigns

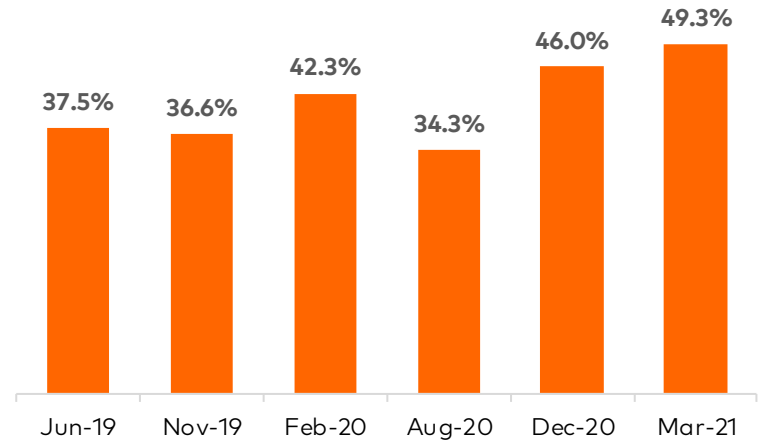
* Members with at least one active product

FOCUS ON INCREASING CUSTOMER SATISFACTION BY

- Engaging with customers **proactively** and responding in real time
- **Anticipating** customer needs, wants, and future behavior
- Harnessing strong human relationships with **data analytics** for dynamic customer insights
- Investing in **technology** to deliver **seamless customer experiences**



NPS*



* Based on external research conducted by IPM Georgia

Re-design of employee experiences

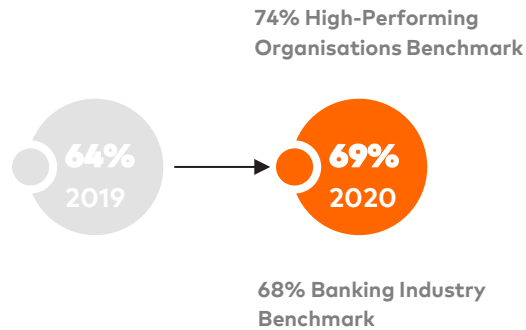
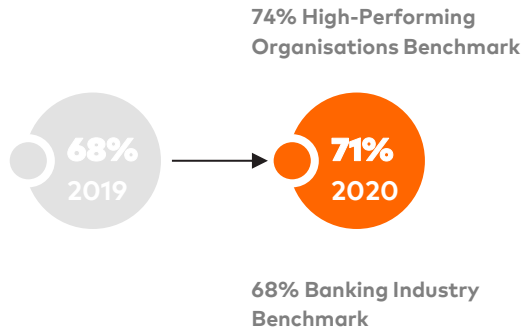
New talent development strategy

High-trust environment

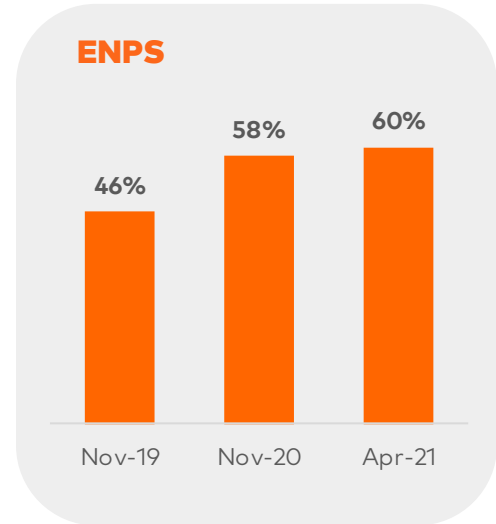
Values-based organisation

Employees feel more engaged

and enabled



ENPS



ISS  *



MSCI  **

Bank of Georgia falls into the highest scoring range relative to global peers



FTSE4GOOD Index

INCLUDED IN THE GLOBAL RESPONSIBLE INVESTMENT INDEX FTSE4GOOD SINCE 2017

* ISS uses 1-10 scale. 1 indicates lower governance risk, while 10 indicates higher governance risk versus its index or region. 1 indicates higher E&S disclosure, while 10 indicates lower E&S disclosure. Scores are as of 1 May 2021.

** MSCI score is as of February 2021

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ROAE

1Q21

21.5%

Loan growth

31 Mar 2021

+11.1% y-o-y

+2.9% q-o-q

Deposit growth

31 Mar 2021

+29.2% y-o-y

flat q-o-q

CET 1 capital adequacy

31 Mar 2021

11.2%

Minimum requirement – 7.8%

Liquidity coverage ratio

31 Mar 2021

149.3%

Minimum requirement – 100%

Cost of credit risk

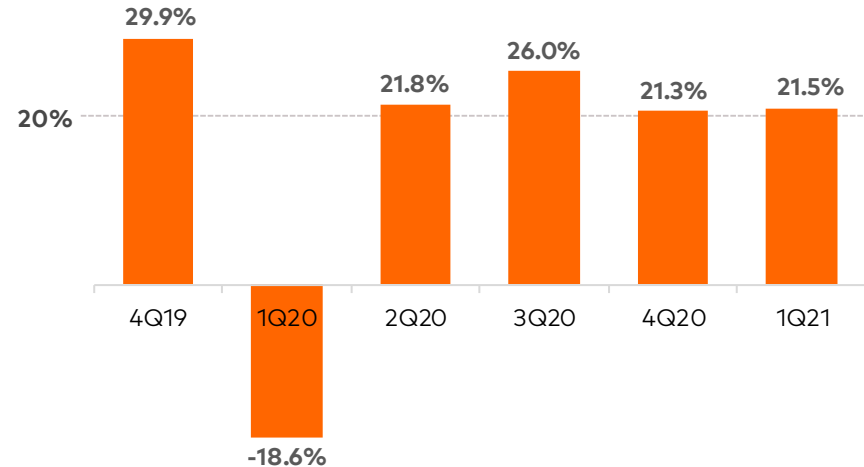
1Q21

0.8%

ROBUST QUARTERLY PERFORMANCE

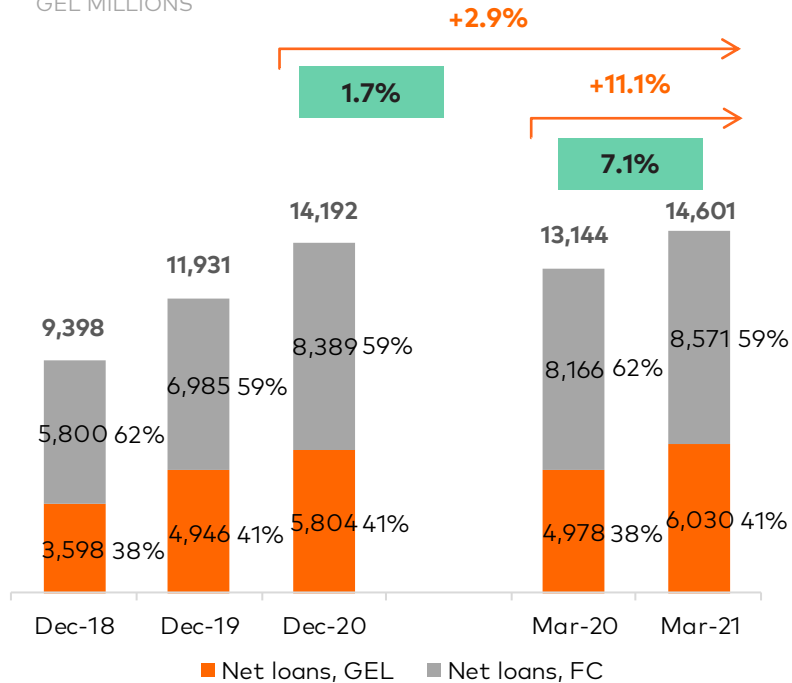
- **The balance sheet has remained resilient against the backdrop of lower economic activity.** On a constant currency basis, customer lending increased by 1.7% during the quarter.
- **Operating income performance has been good.** Net interest income increased by 5.3%, whilst net fee and commission income increased by 3.6% q-o-q, in what is usually the quietest quarter in the year and despite the lockdown-related reduction in economic activity.
- **Net interest margin increased by 10 basis points q-o-q to 4.5% in 1Q21,** largely reflecting a decline in the cost of funds.
- **Costs remain very well-managed** with a 9.7% q-o-q reduction in operating expenses, following a review of our variable cost base in 2020 and partly also reflecting seasonal trends.
- **Lending portfolio has performed well.** 1Q21 annualised cost of credit risk ratio of 0.8% was slightly better than our medium-term 1.0-1.2% annual expectation. The non-performing loans ratio remained stable at 3.6% in 1Q21, compared with 3.7% in 4Q20.
- **Capital ratios have remained robust** and comfortably above the minimum regulatory requirements.
- **Delivering superior levels of profitability.** Despite a still challenging operating environment, the Group delivered strong profitability with a 21.5% return on average equity in 1Q21, fourth consecutive quarter of delivering a ROAE above 20% during the pandemic.

TRACK RECORD OF STRONG PROFITABILITY



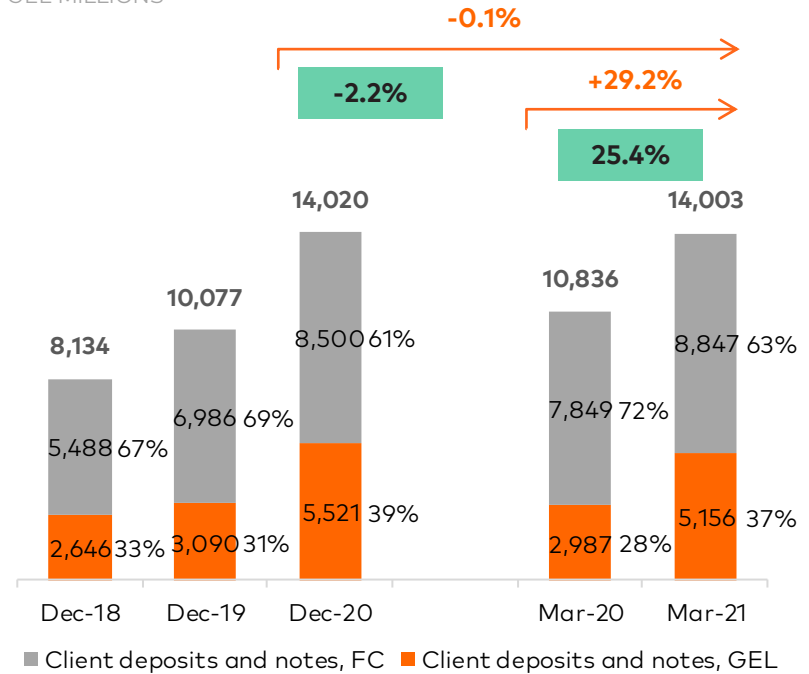
LOAN PORTFOLIO

GEL MILLIONS



DEPOSIT PORTFOLIO

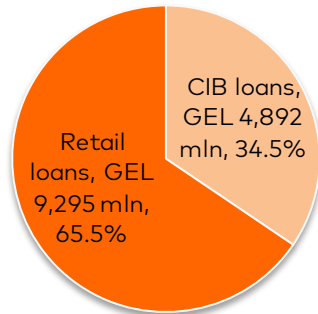
GEL MILLIONS



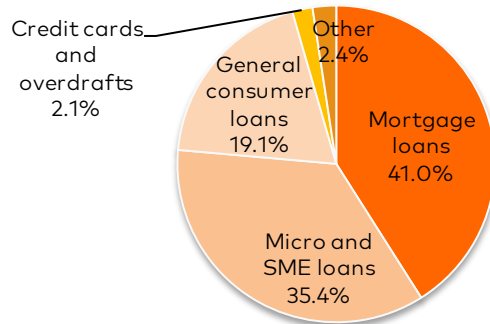
■ Growth on a constant currency basis

LOAN PORTFOLIO BREAKDOWN | MAR-21

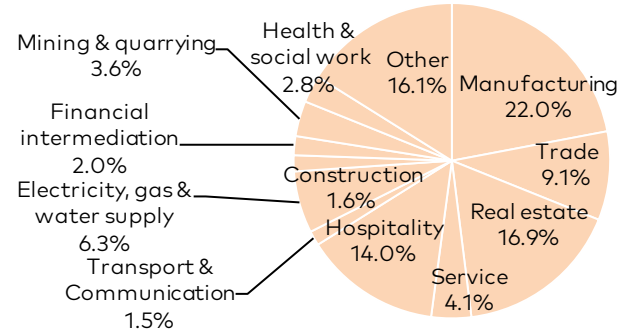
Gross Loans by segment
Bank of Georgia standalone
Total: **GEL 14.2bln**



Retail Banking Gross Loans
by product
Total: **GEL 9.3bln**

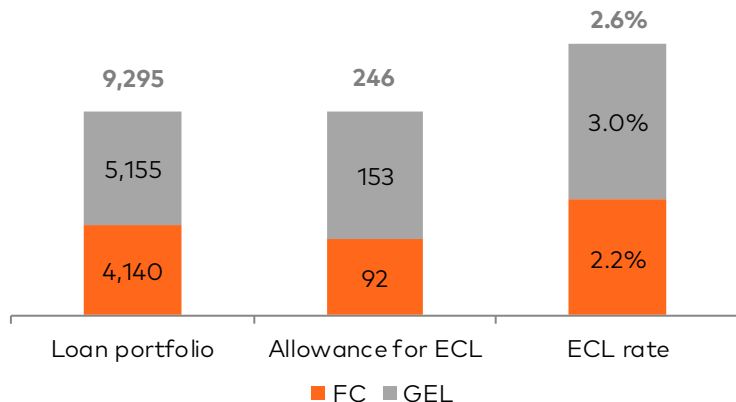


Corporate and Investment Banking
Gross Loans by sectors
Total: **GEL 4.9bln**



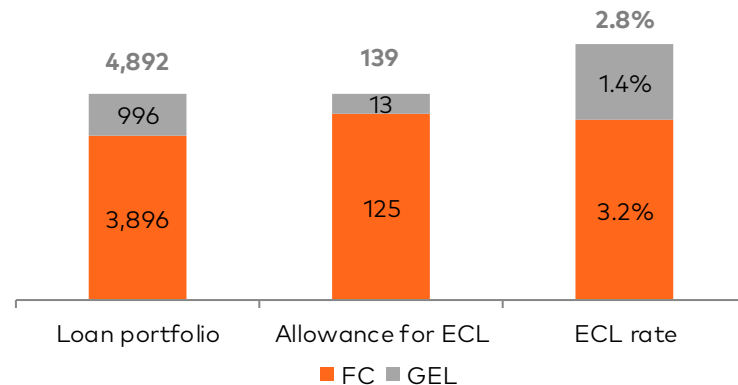
RETAIL BANKING | MAR-21

JSC Bank of Georgia standalone
GEL MILLIONS



CORPORATE AND INVESTMENT BANKING | MAR-21

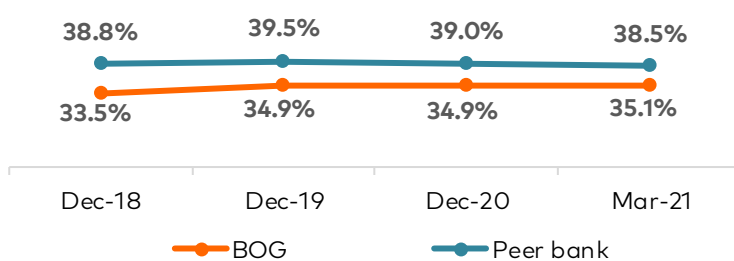
JSC Bank of Georgia standalone
GEL MILLIONS



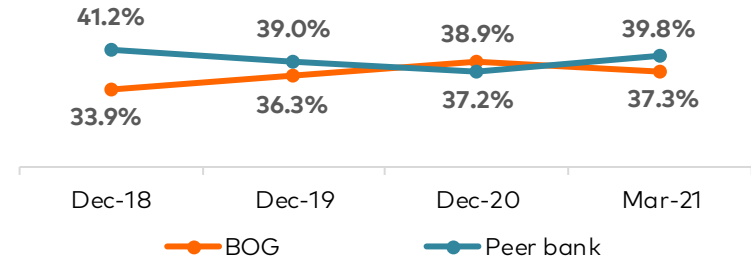
Amounts in GEL millions	RB Loan portfolio	% of total RB loan portfolio	Mortgages	Consumer loans*	SME & Micro	CB & WM Loan portfolio	% of total CIB loan portfolio
GEL loans*	5,155	55.5%	1,760	1,870	1,525	996	20.4%
FC loans not exposed to FC risk	657	7.1%	501	91	65	1,996	40.8%
FC loans exposed to FC risk	3,483	37.5%	1,552	232	1,699	1,900	38.8%
Total	9,295	100.0%	3,813	2,193	3,289	4,892	100.0%

* Includes credit cards

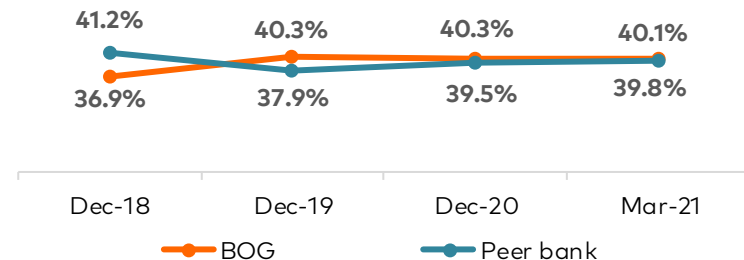
MARKET SHARE - GROSS LOANS



MARKET SHARE - CUSTOMER DEPOSITS



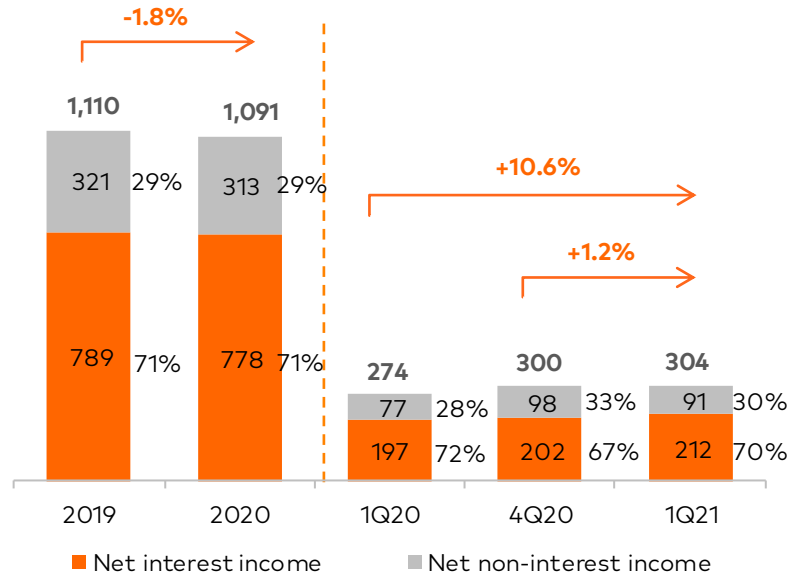
MARKET SHARE - DEPOSITS OF INDIVIDUALS



- Top two banks hold more than 70% of market share
- Bank of Georgia focuses on profitability, while maintaining solid market share
- Market share in deposits of individuals underlines the strength of Bank of Georgia's franchise

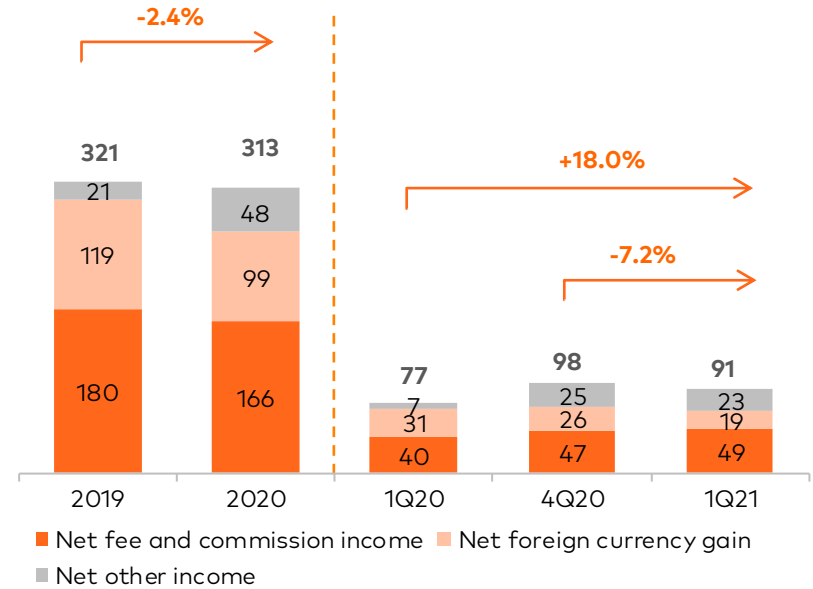
OPERATING INCOME

GEL MILLIONS

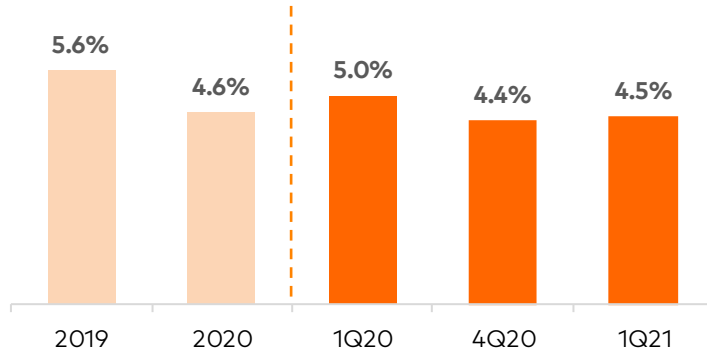


NET NON-INTEREST INCOME

GEL MILLIONS



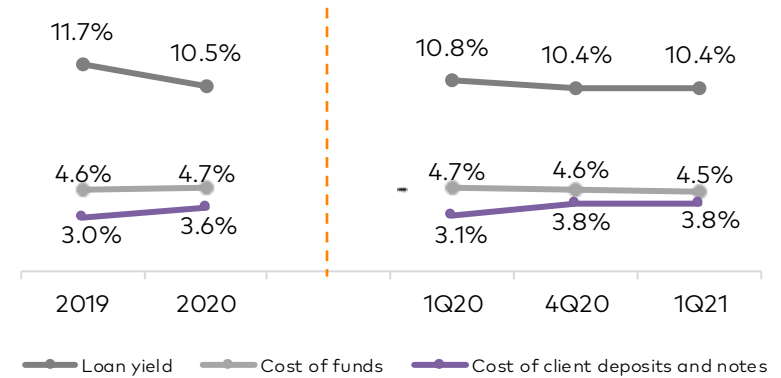
NET INTEREST MARGIN



NIM DOWN IN 1Q21 DUE TO

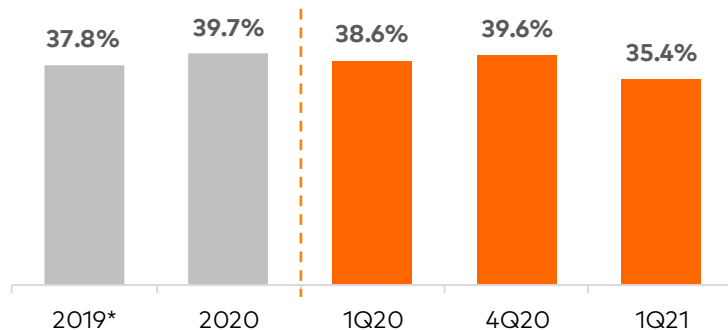
- Reduction in consumer lending activity on the back of the COVID-19 pandemic
- High levels of liquidity maintained for risk mitigation purposes on the back of uncertainty
- Still ongoing loan portfolio mix change

LOAN YIELD, COST OF FUNDS, COST OF DEPOSITS



NIM OUTLOOK
Broadly stable margin going forward

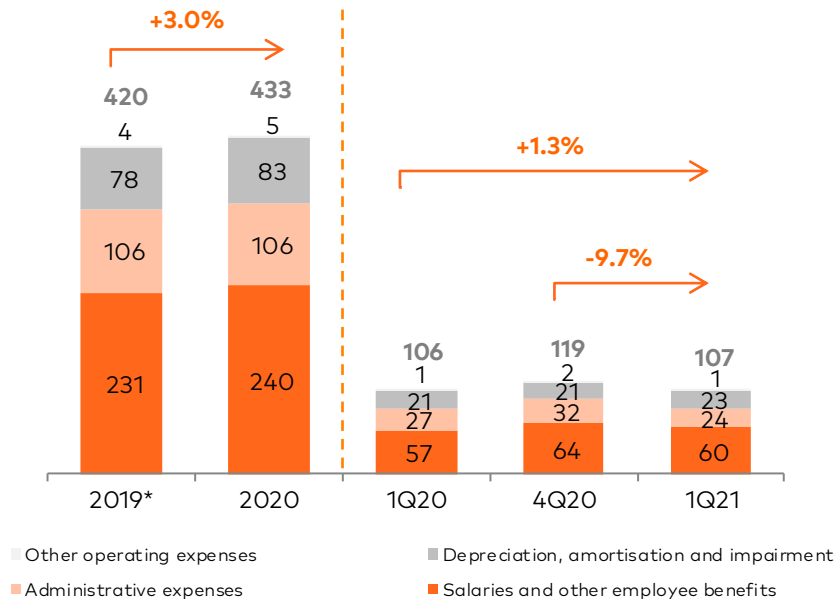
COST TO INCOME RATIO



c.35%
Medium-term guidance

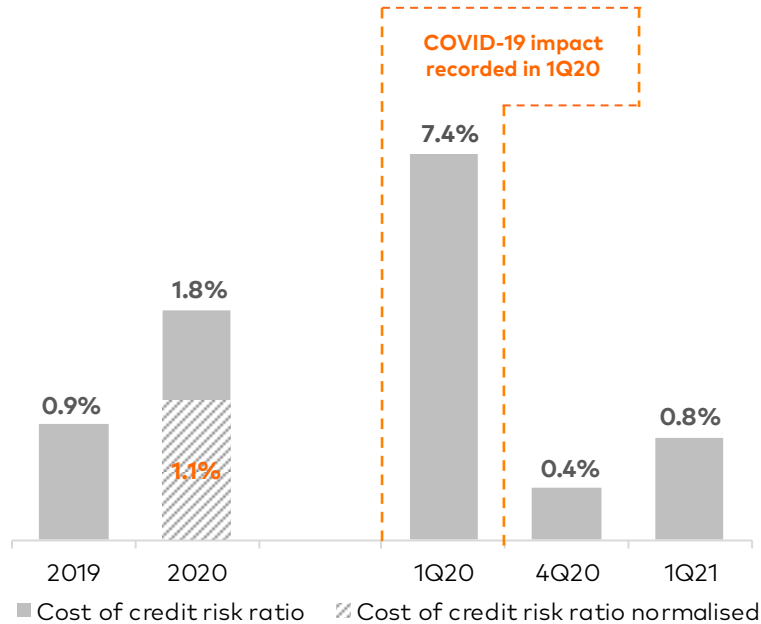
OPERATING EXPENSES

GEL MILLIONS



* 2019 results are adjusted for termination costs of former executive management.

COST OF CREDIT RISK RATIO



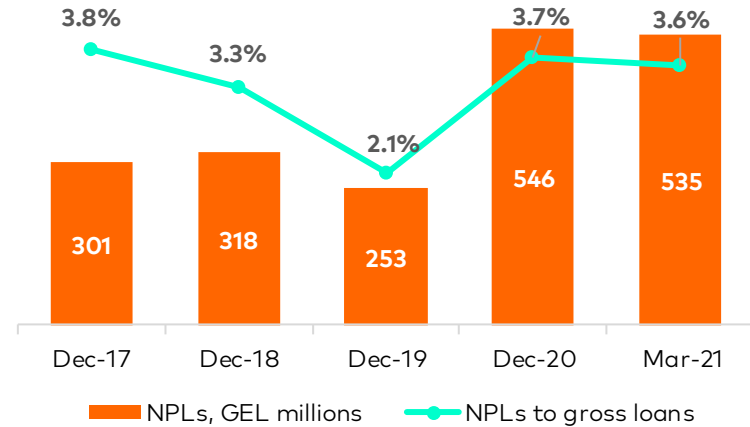
LOAN PORTFOLIO QUALITY

NPL coverage

92.7% 90.5% 80.9% 76.3% 77.5%

NPL coverage adjusted for collateral value

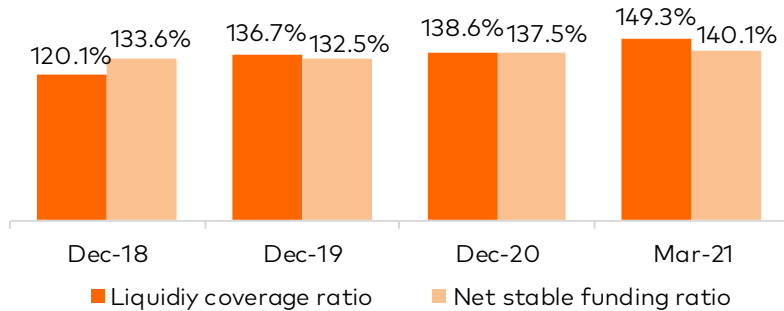
130.6% 129.9% 139.6% 128.8% 127.8%



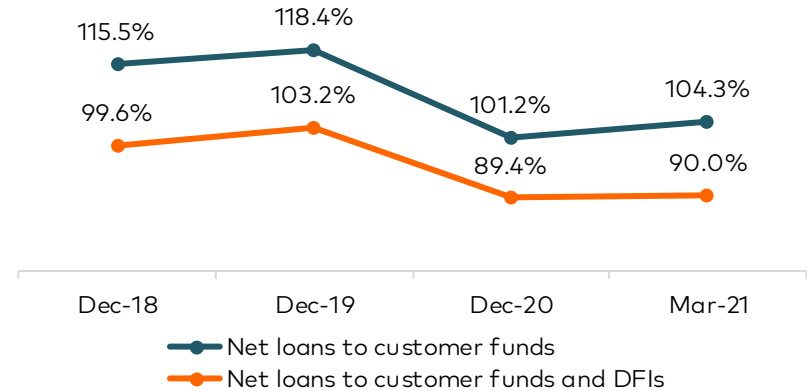
* Normalised cost of credit risk – 1.2% for RB and 0.8% for CIB

LIQUIDITY COVERAGE AND NET STABLE FUNDING RATIOS

JSC Bank of Georgia standalone (Basel III liquidity)

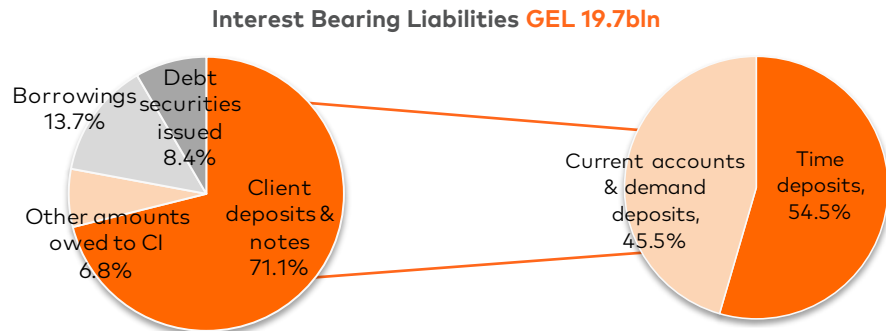


NET LOANS TO CUSTOMER FUNDS AND DFIs

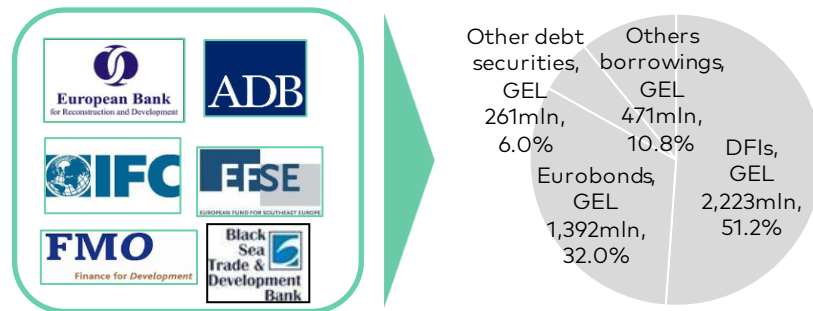


- Excess liquidity maintained for risk mitigation purposes, on the back of the COVID-19 crisis
- Strong support from International Financial Institutions

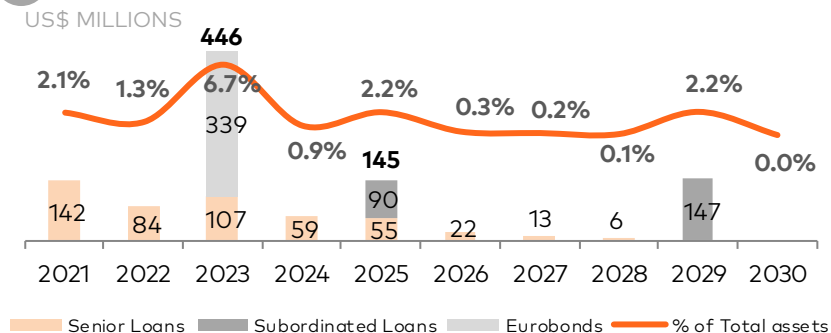
INTEREST BEARING LIABILITIES



WELL DIVERSIFIED INTERNATIONAL BORROWINGS



BORROWED FUNDS MATURITY BREAKDOWN*



STRONG SUPPORT FROM IFIs

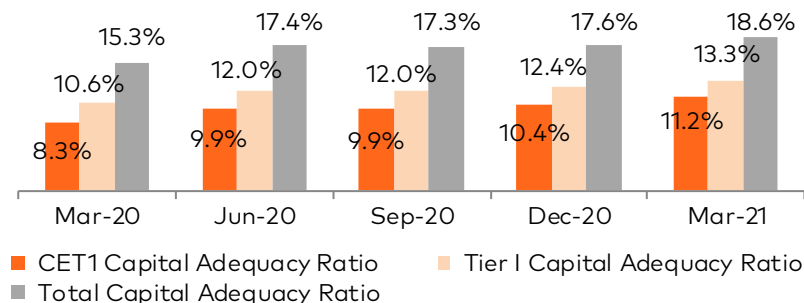
- **c.GEL 341 million** undrawn long-term loan facilities attracted from DFIs at 31 March 2021 with up to five years of maturity
- Liquidity management: **US\$19.5 million** Eurobonds due 2023 repurchased since July 2020

* converted at GEL/US\$ exchange rate of 3.4118 at 31 March 2020

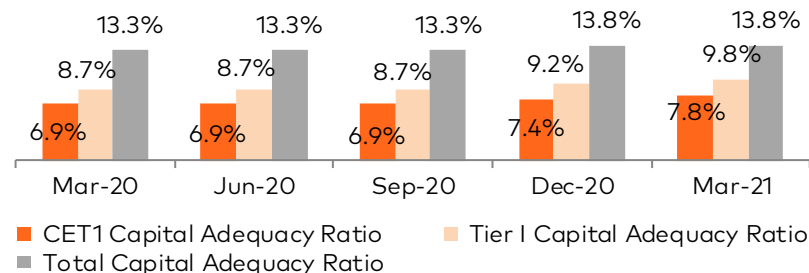
NBG MEASURES AS A RESPONSE TO COVID-19

- **Combined buffer** - the conservation buffer requirement of 2.5% of risk-weighted assets reduced to 0%;
- **Pillar 2 requirements:**
 - Currency induced credit risk buffer (CICR) requirement reduced by 2/3rds;
 - The phase-in of additional credit portfolio concentration risk buffer (HHI) and net GRAPE buffer requirements on Common Equity Tier 1 (CET1) and Tier 1 capital, planned at the end of March 2020, has been postponed indefinitely; however, the phase-in of additional HHI and GRAPE buffer requirements were postponed till end of March 2021 as subsequently instructed by the NBG.
 - The possibility of fully or partially releasing the remaining requirements of Pillar 2 buffers (HHI, CICR, net GRAPE), if necessary, remains open;
- **Capital distribution** - during the period banks are allowed to partially or fully use the Pillar 2 and conservation buffers, banks are restricted to make capital distribution in any form;
- **General loan loss provisioning relating to COVID-19.** The Bank has recorded c.GEL 400 million general provision (approximately 3.3% of the Bank's lending portfolio subject to provision under the local regulatory accounting standards) under the Bank's local regulatory accounting basis in March 2020, which is used for calculation of the Bank's capital ratios, reflecting the NBG's expectations of estimated credit losses on the Bank's lending book for the whole economic cycle.

CAPITAL ADEQUACY RATIOS



MINIMUM REGULATORY REQUIREMENTS



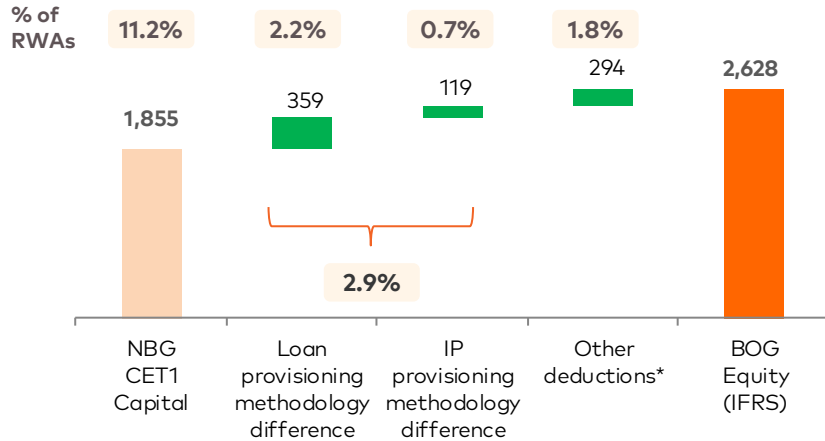
CAPITAL RATIOS EVOLUTION DURING 1Q21

	Capital ratios DEC-20	1Q21 profit	GEL Devaluation	New Tier 2 facility impact	Capital ratios MAR-21	Potential impact of additional 10% GEL devaluation
CET1 capital adequacy ratio	10.4%	1.2%	-0.4%	-	11.2%	-0.8%
Tier I capital adequacy ratio	12.4%	1.2%	-0.3%	-	13.3%	-0.7%
Total capital adequacy ratio	17.6%	1.2%	-0.3%	0.1%	18.6%	-0.6%

- **Strong internal capital generation**
- **Tier 2 subordinated facility:** In March 2021, the Bank drew down a \$20 million third tranche of the Tier 2 capital instrument initially arranged in December 2019 and amended in December 2020

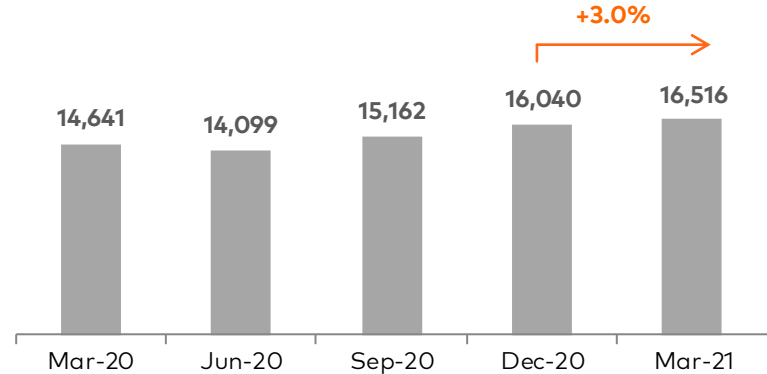
BOG EQUITY VS. CET1 REG. CAPITAL | MAR-20

GEL MILLIONS



RISK WEIGHTED ASSETS

GEL MILLIONS



* Revaluation reserve, investments in non-financial subsidiaries and intangible assets

- Existing additional capital buffers (within **c.2.9%** of risk-weighted assets) reflecting differences in provisioning methodology between the NBG and IFRS 9
- NBG plans to transition to IFRS-based financial reporting during 2021 - 2022

 **COVID-19 PANDEMIC AND MACROECONOMIC HIGHLIGHTS**

 **GROUP OVERVIEW AND STRATEGY**

 **1Q21 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES**

GENERAL FACTS

- Area: 69,700 sq. km
- Population (2019): 3.7 million
- Life expectancy: 74 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)



ECONOMY

- Nominal GDP (Geostat) 2020: GEL 49.2bln (US\$ 15.9bln)
- Real GDP growth rate 2016-2020E: 2.9%, 4.8%, 4.8%, 5.0%, -6.2%
- Real GDP 2011-2019 annual average growth rate: 4.9%
- GDP per capita 2020 (PPP): US\$ 14,918
- Annual inflation (EOP) 2020: 2.4%
- External public debt to GDP 2020: 47.5%

SOVEREIGN CREDIT RATINGS

Agency	Rating	Outlook	Affirmed
Moody's	Ba2	Stable	February 2021
FitchRatings	BB	Negative	February 2021
S&P Global	BB	Negative	February 2021

Liberal economic policy

Top performer globally in WB Doing Business over the past 12 years

- Liberty Act ensures a credible fiscal and monetary framework
- Fiscal deficit/GDP capped at 3%; Government debt/GDP capped at 60%
- Business friendly environment and low tax regime (attested by favourable international rankings)

Regional logistics and tourism hub

A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west

- Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS, Turkey, Hong Kong and with EFTA countries. The GSP with USA, Canada and Japan
- Tourism halted in 2020 due to pandemic, recovery already started from April 2021
- Regional energy transit corridor accounting for 1.6% of the world's oil and gas transit volumes

Strong FDI

An influx of foreign investors on the back of the economic reforms

- FDI stood at US\$ 617mln (3.9% of GDP) in 2020
- FDI averaged 8.4% of GDP in 2011-2020

Support from international community

Georgia and the EU signed an Association Agreement and DCFTA in June 2014

- Visa-free travel to the EU - another major success in Georgian foreign policy. Georgians were granted free entrance to the EU countries from 28 March 2017
- Discussions commenced with the USA to drive inward investments and exports
- Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs

Electricity transit hub potential

Developed, stable and competitively priced energy sector

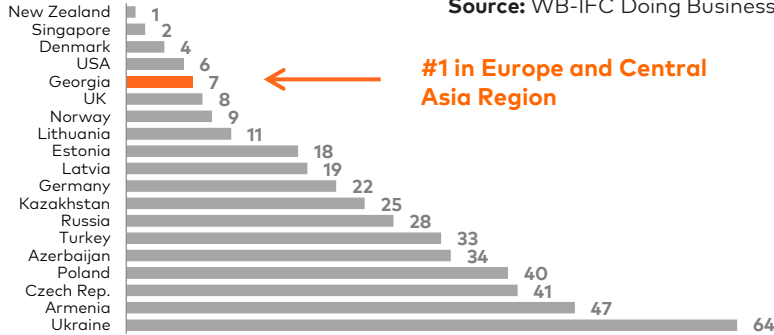
- Only 25% of hydropower capacity utilized; 150 renewable (HPPs/WPPs/SPPs) energypower plants are in various stages of construction or development
- Georgia imports natural gas mainly from Azerbaijan
- Significantly boosted transmission capacity with 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded
- Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe

Political environment

- Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU
- Constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency
- Member of WTO since 2000, allowed Russia's access to WTO; In 2013 trade restored with Russia
- Despite resumed economic ties, exposure to Russia remains moderate. In 2020, Russia accounted for 13.2% of Georgia's exports and 11.1% of imports; just 3.7% of cumulative FDI over 2003-2020

EASE OF DOING BUSINESS | 2020

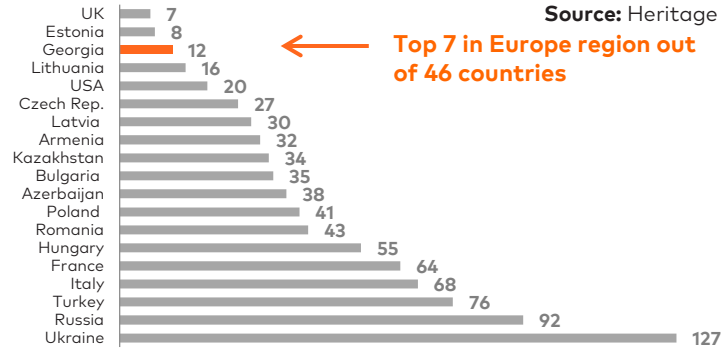
Source: WB-IFC Doing Business Report



#1 in Europe and Central Asia Region

ECONOMIC FREEDOM INDEX | 2021

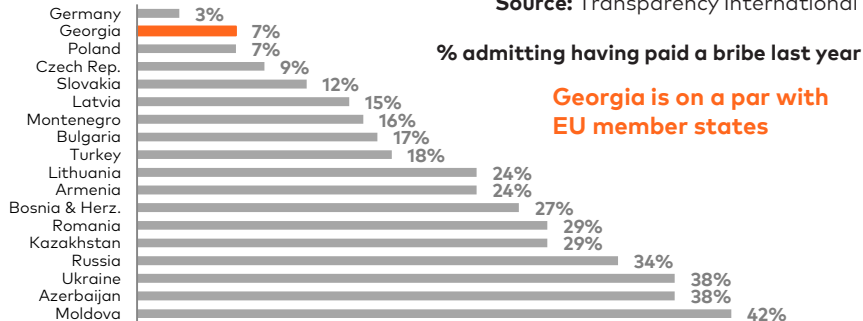
Source: Heritage Foundation



Top 7 in Europe region out of 46 countries

GLOBAL CORRUPTION BAROMETER | 2017

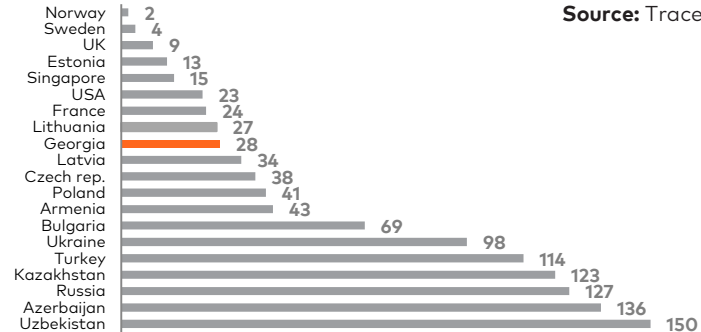
Source: Transparency International



Georgia is on a par with EU member states

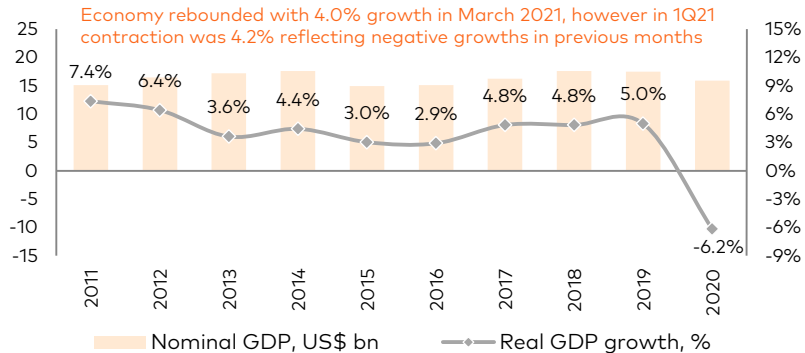
BUSINESS BRIBERY RISK | 2020

Source: Trace International



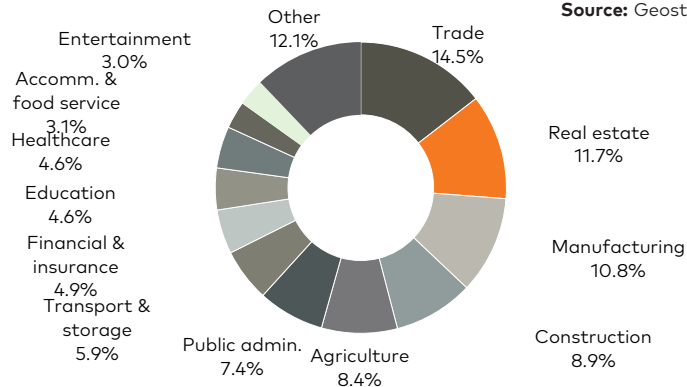
GROSS DOMESTIC PRODUCT

Source: Geostat, Galt & Taggart



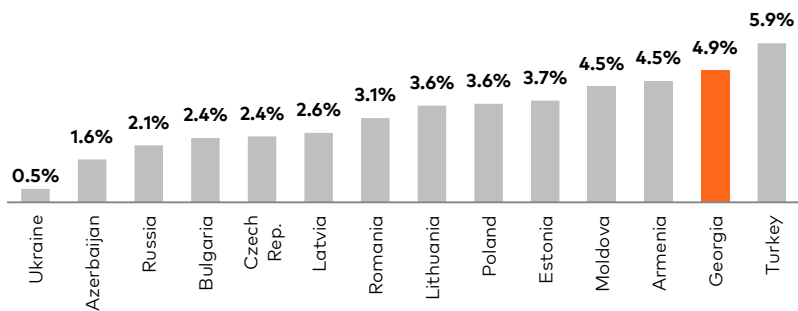
DIVERSIFIED NOMINAL GDP STRUCTURE | 2020

Source: Geostat



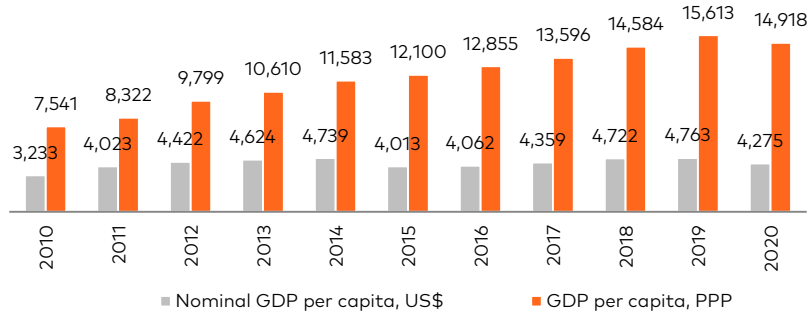
COMPARATIVE REAL GDP GROWTH RATES, % (2010-2019 AVERAGE)

Source: IMF, Geostat



GDP PER CAPITA

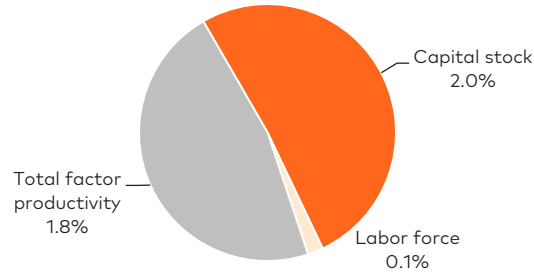
Source: IMF, Geostat



CAPITAL AND PRODUCTIVITY HAVE BEEN THE MAIN ENGINES OF GROWTH SINCE 2004

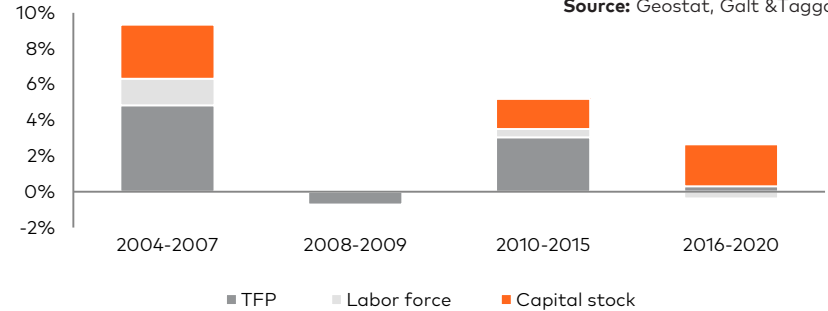
OVERALL CONTRIBUTION OF CAPITAL, LABOR, AND TOTAL FACTOR PRODUCTIVITY (TFP) TO GROWTH, 2010-2020

Source: Geostat, Galt & Taggart



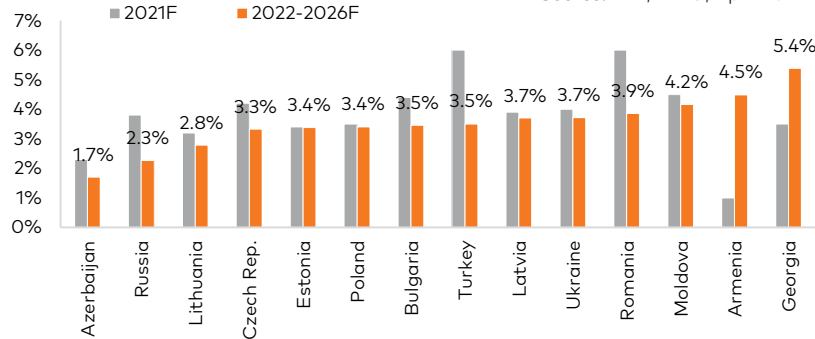
CONTRIBUTIONS OF CAPITAL, LABOR, AND TFP TO GROWTH DURING PERIODS

Source: Geostat, Galt & Taggart



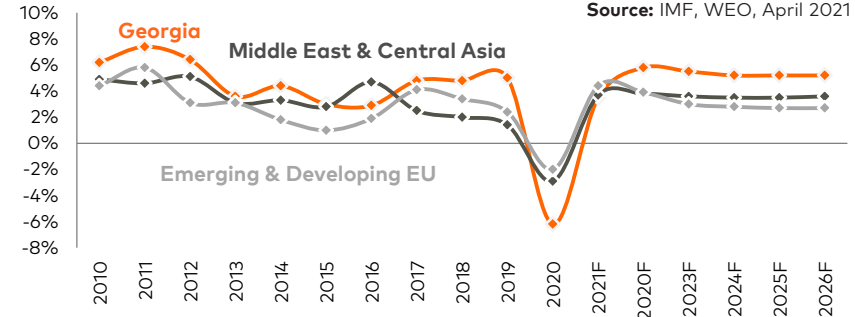
REAL GDP GROWTH PROJECTION, 2021-2026

Source: IMF, WEO, April 2021



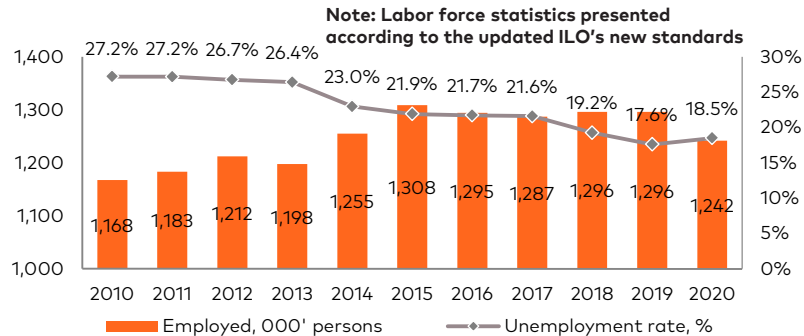
REAL GDP GROWTH: GEORGIA, MIDDLE EAST AND CENTRAL ASIA, EMERGING & DEVELOPING EU

Source: IMF, WEO, April 2021



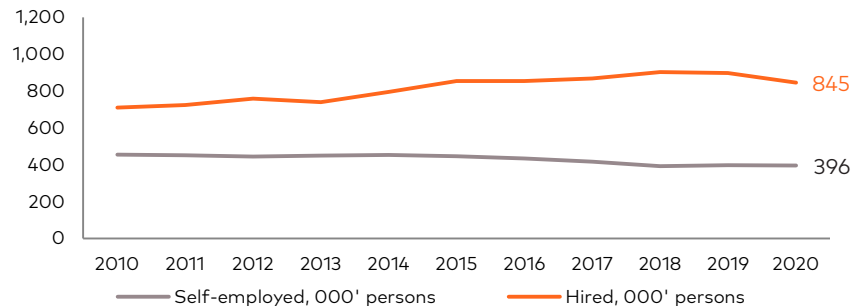
UNEMPLOYMENT RATE UP 0.9PPTS Y/Y TO 18.5% IN 2020

Source: Geostat



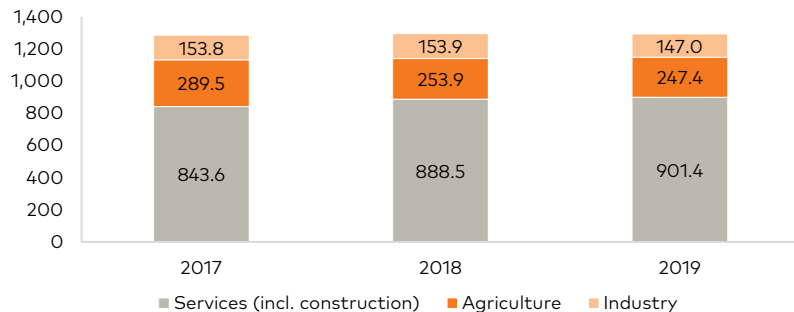
HIRED WORKERS ON THE RISE

Source: Geostat



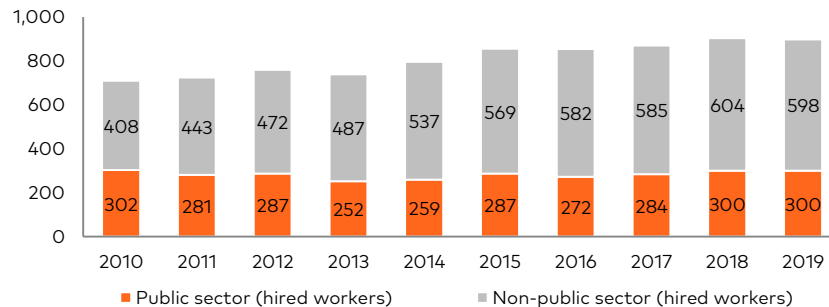
EMPLOYMENT BY SECTOR, 000' PERSONS

Source: Geostat

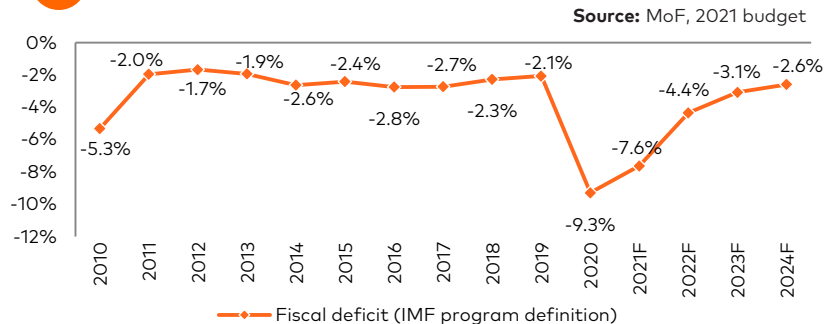


EMPLOYMENT: PUBLIC AND PRIVATE SECTORS, 000' PERSONS

Source: Geostat

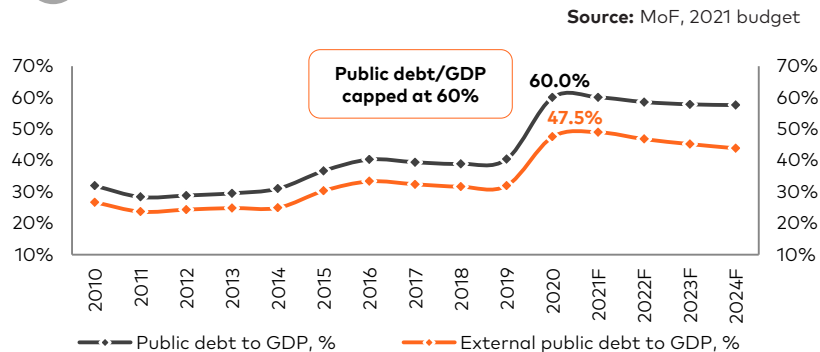


FISCAL DEFICIT

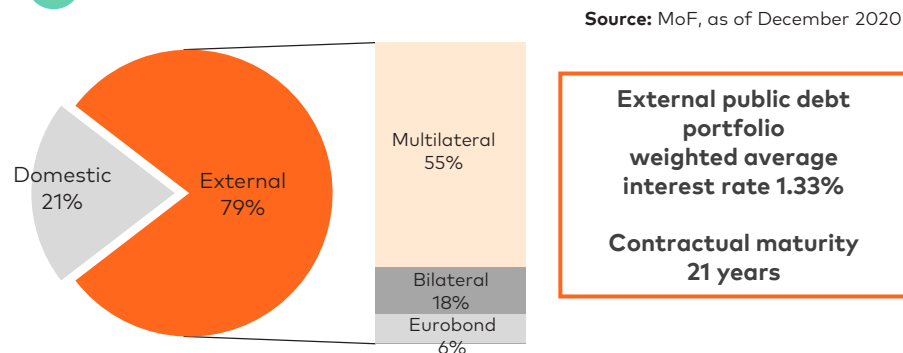


Note: Deficit calculated as net lending / borrowing minus budget lending

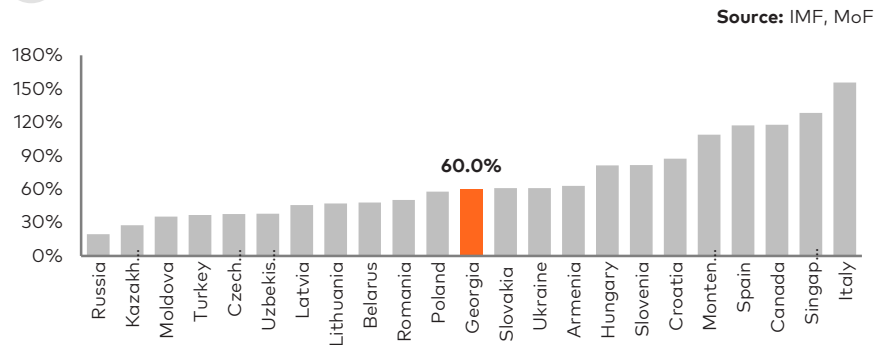
PUBLIC DEBT AS % OF GDP



BREAKDOWN OF THE PUBLIC DEBT

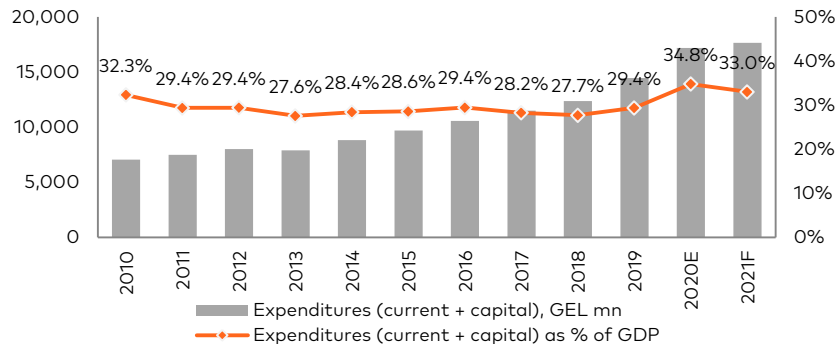


GROSS GOVERNMENT DEBT/GDP | 2020



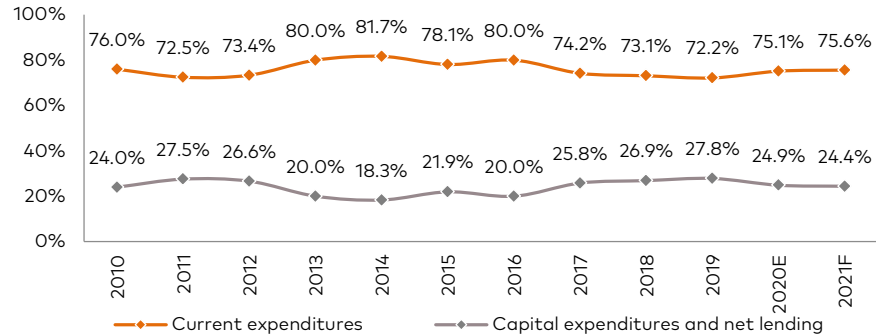
BUDGET EXPENDITURES

Source: MoF, 2021 budget



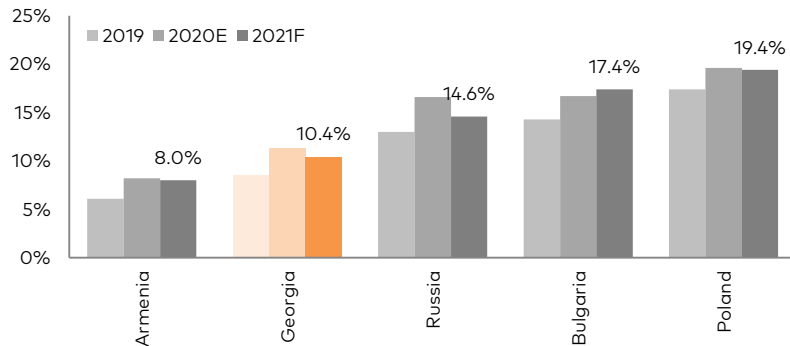
EXPENDITURE BREAKDOWN: CURRENT VS. CAPITAL

Source: MoF, 2021 budget



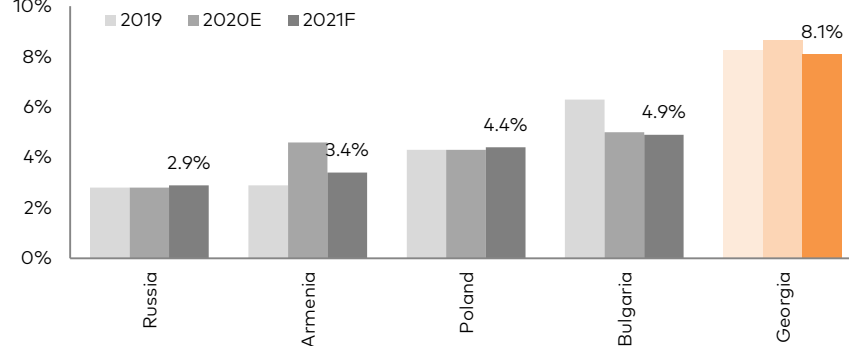
GOVERNMENT SOCIAL EXPENDITURE AS % OF GDP

Source: IMF



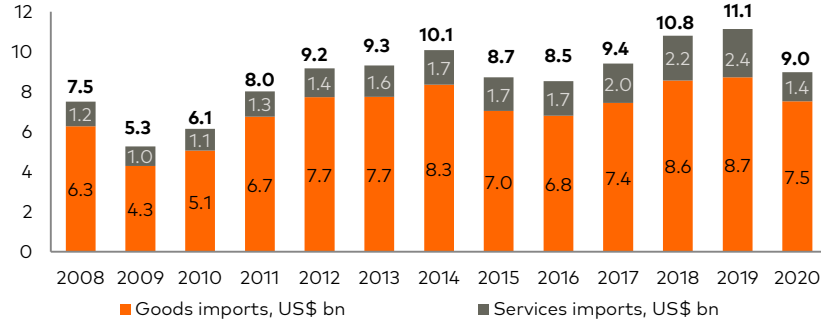
GOVERNMENT CAPITAL EXPENDITURE AS % OF GDP

Source: IMF



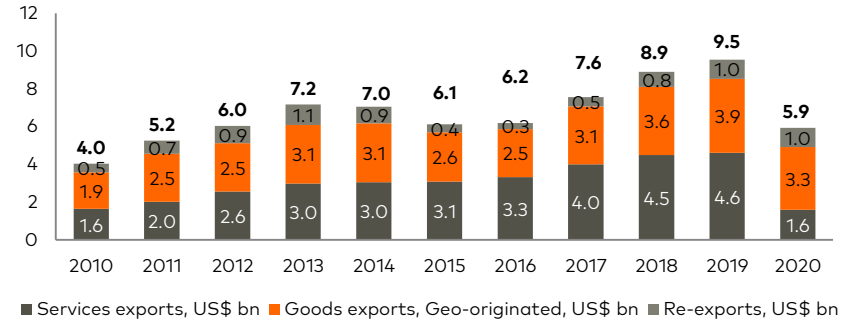
IMPORTS OF GOODS AND SERVICES

Source: NBG – BOP statistics



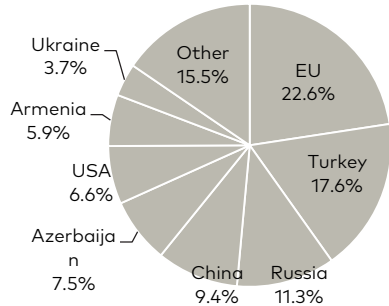
EXPORTS OF GOODS AND SERVICES

Source: NBG – BOP statistics



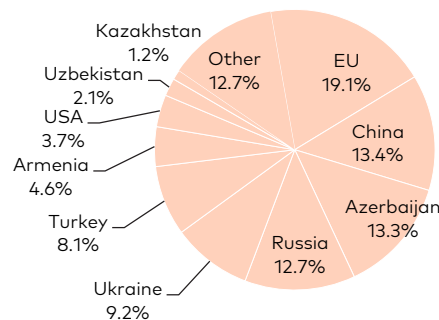
IMPORTS BY COUNTRY, 1Q21

Source: Geostat



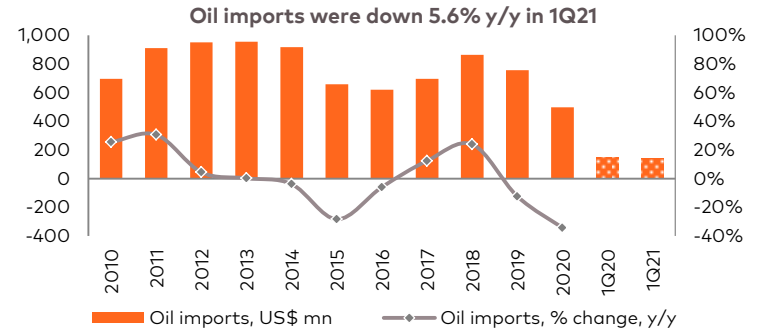
EXPORTS BY COUNTRY, 1Q21

Source: Geostat



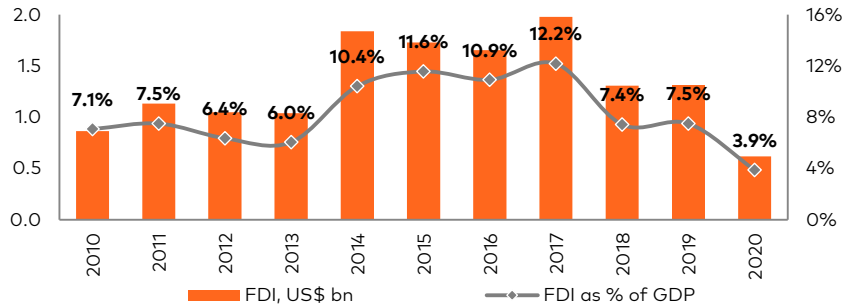
OIL IMPORTS

Source: Geostat



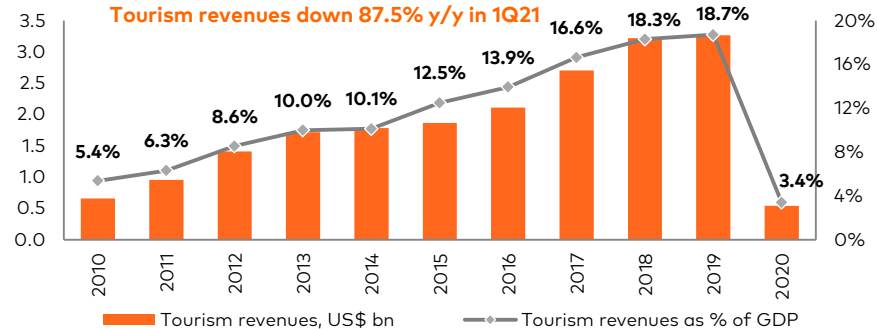
FOREIGN DIRECT INVESTMENTS

Source: Geostat



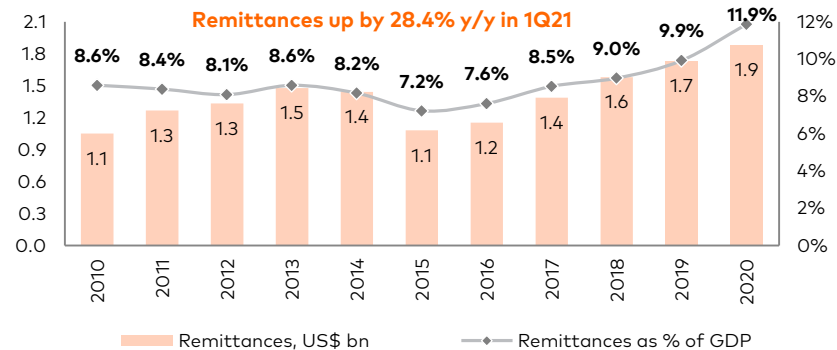
TOURISM REVENUES

Source: NBG, Geostat



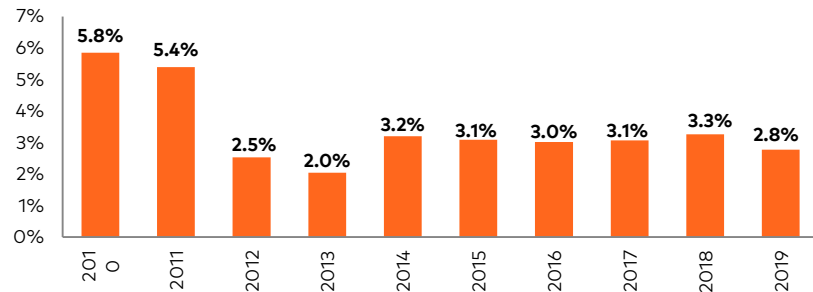
REMITTANCES - STEADY SOURCE OF EXTERNAL FUNDING

Source: NBG, Geostat



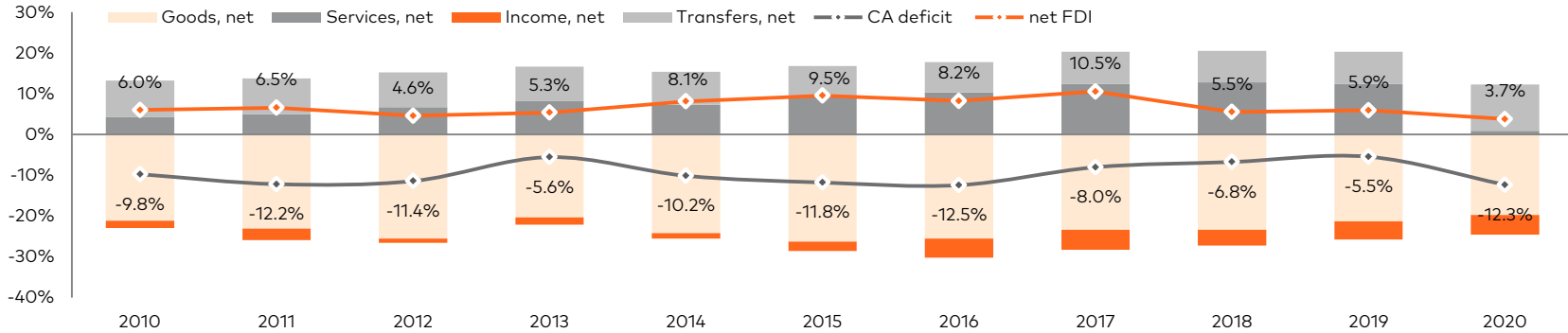
PUBLIC EXTERNAL BORROWING FOR CAPEX, % OF GDP

Source: MOF, Geostat



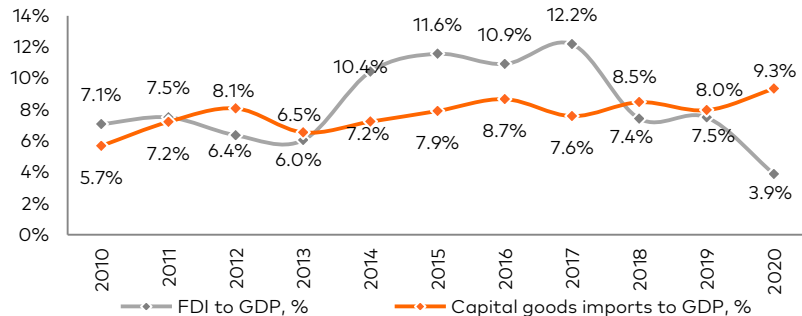
CURRENT ACCOUNT BALANCE (% OF GDP)

Source: NBG, Geostat



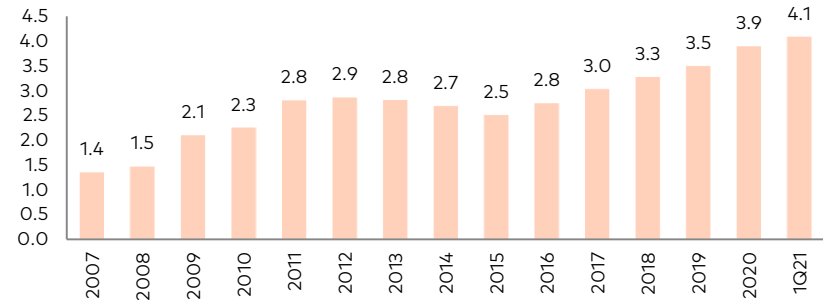
FDI AND CAPITAL GOODS IMPORT

Source: Geostat



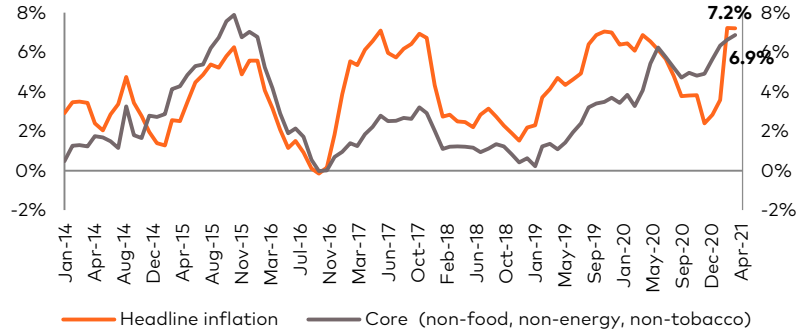
BUILDING INTERNATIONAL RESERVES, US\$ BN

Source: NBG



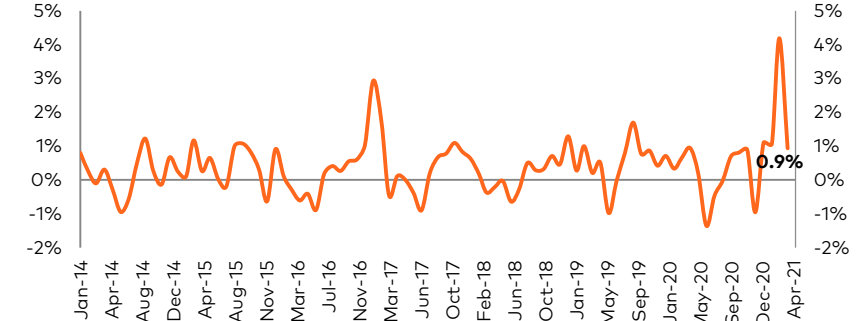
ANNUAL INFLATION

Source: Geostat



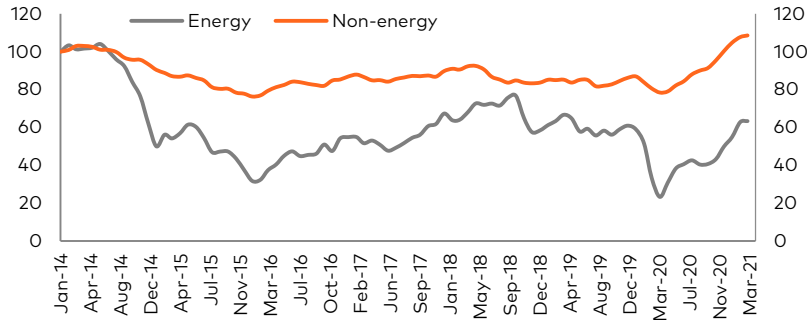
MONTHLY INFLATION

Source: Geostat



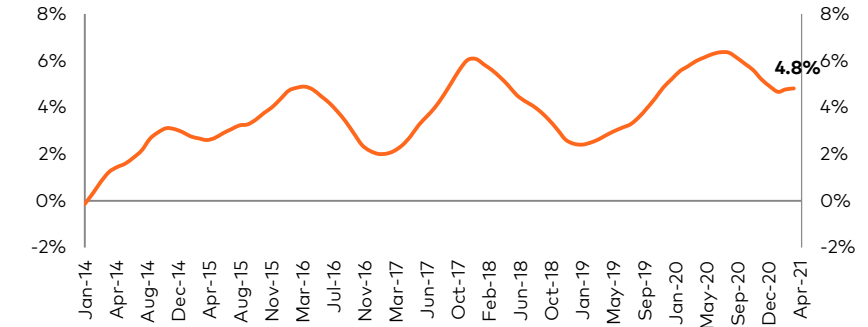
WORLD COMMODITY PRICES

Source: World Bank
Note: Jan2014=100



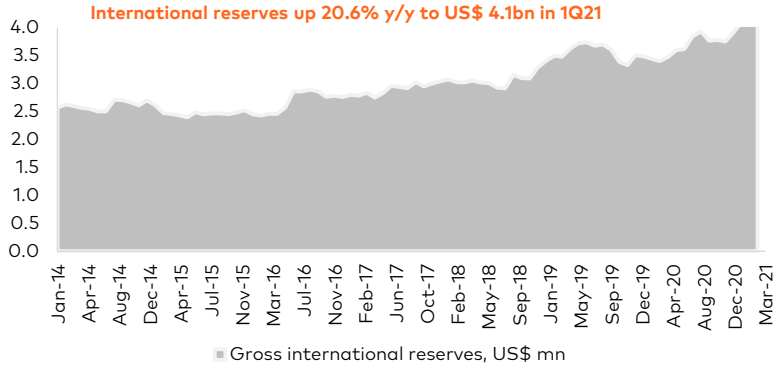
AVERAGE INFLATION

Source: Geostat



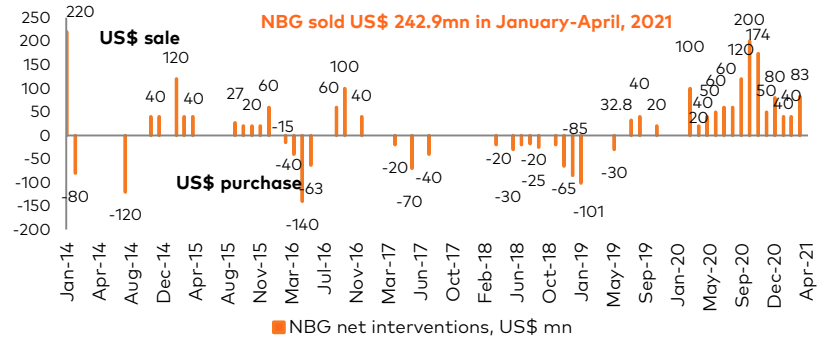
INTERNATIONAL RESERVES

Source: NBG



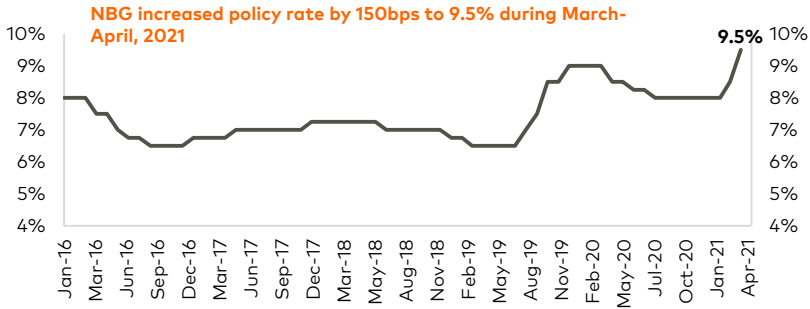
CENTRAL BANK'S INTERVENTIONS

Source: NBG



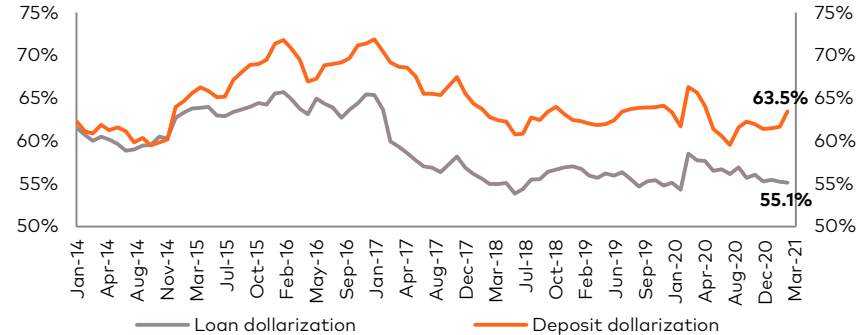
MONETARY POLICY RATE

Source: NBG



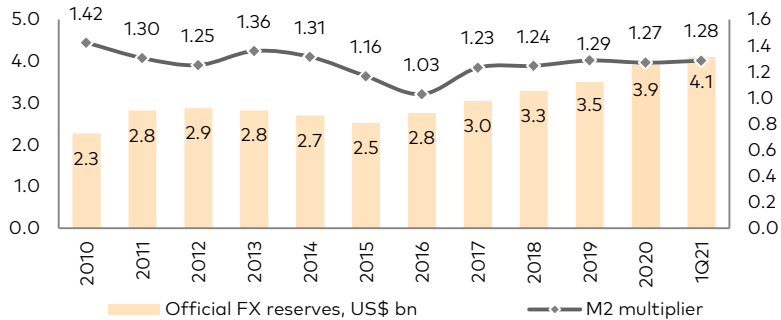
LOAN AND DEPOSIT DOLLARISATION

Source: NBG



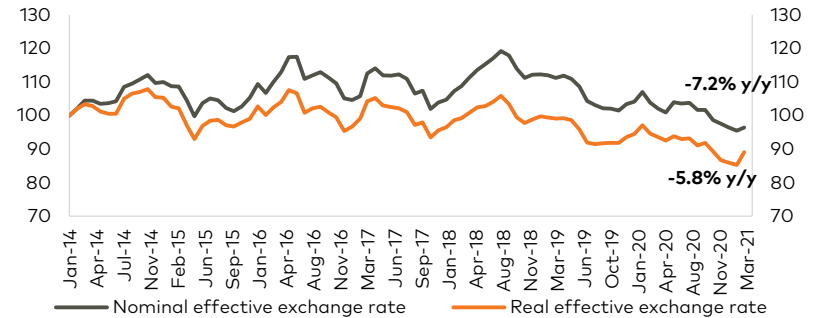
FX RESERVES

Source: NBG



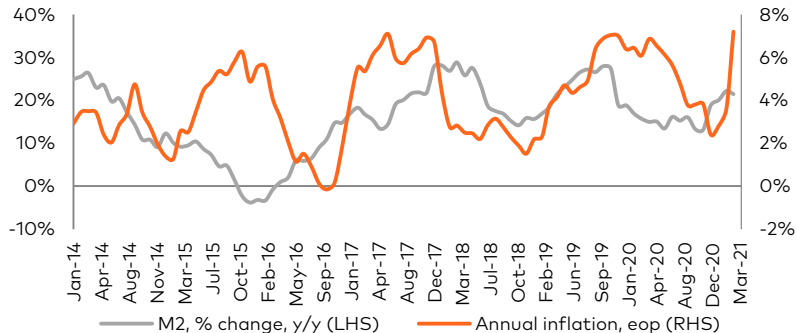
NOMINAL AND REAL EFFECTIVE EXCHANGE RATE (JAN2014=100)

Source: NBG



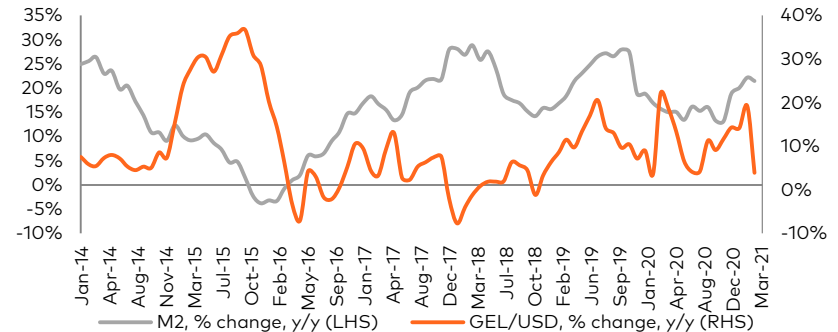
M2 AND ANNUAL INFLATION

Source: NBG



M2 AND USD/GEL

Source: NBG



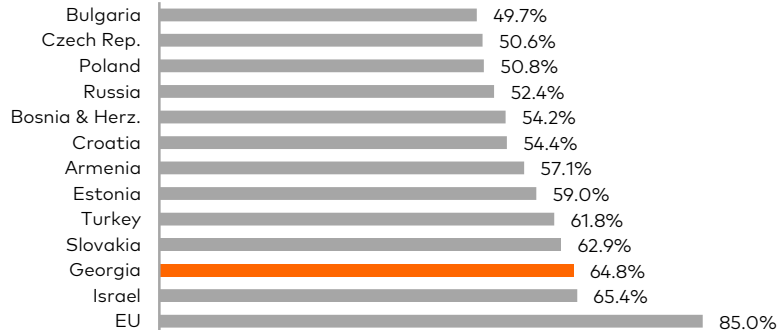
SUMMARY

- Prudent regulation and oversight ensuring financial stability
- Strong resilience towards both domestic and external shocks **without single bank going bankrupt**
- No nationalisation** of the banks and no government ownership since 1994
- Resilience to different shocks to the economy**, room for healthy credit growth

Source: National Bank of Georgia, Geostat

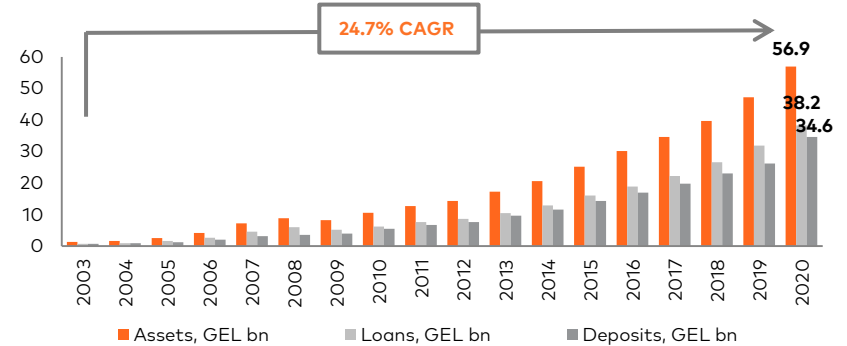
BANKING SECTOR LOANS TO GDP, 2019

Source: World Bank



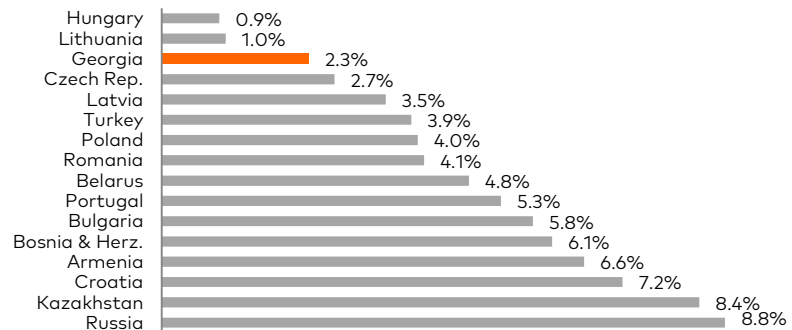
BANKING SECTOR ASSETS, LOANS AND DEPOSITS

Source: NBG



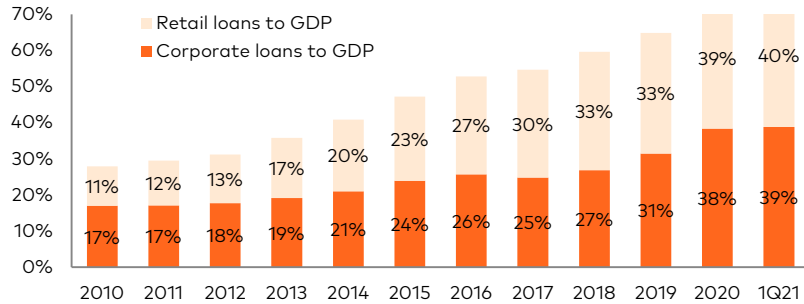
NON-PERFORMING LOANS, LATEST 2020

Source: IMF, NBG



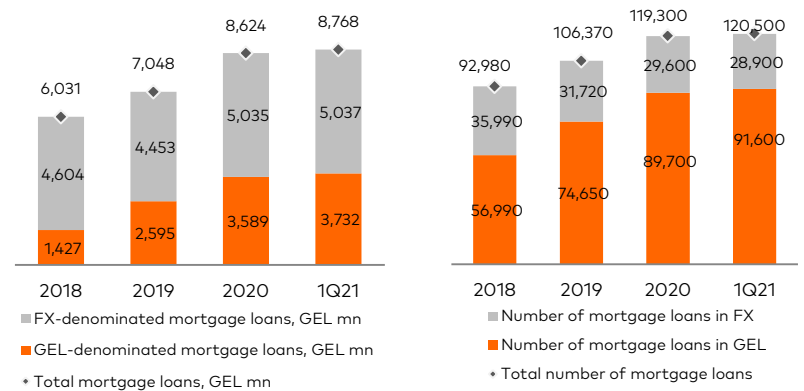
BANKING SECTOR CORPORATE & RETAIL LOANS TO GDP

Source: NBG, Geostat



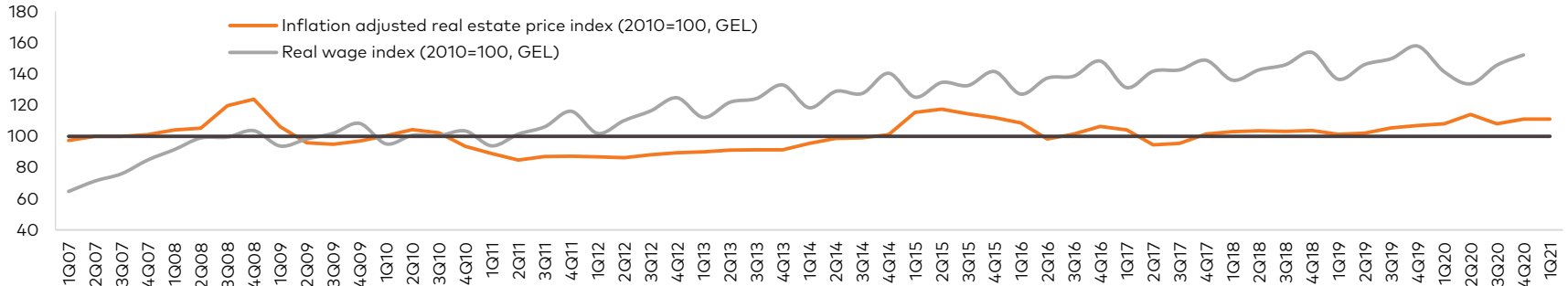
MORTGAGE LOANS

Source: NBG

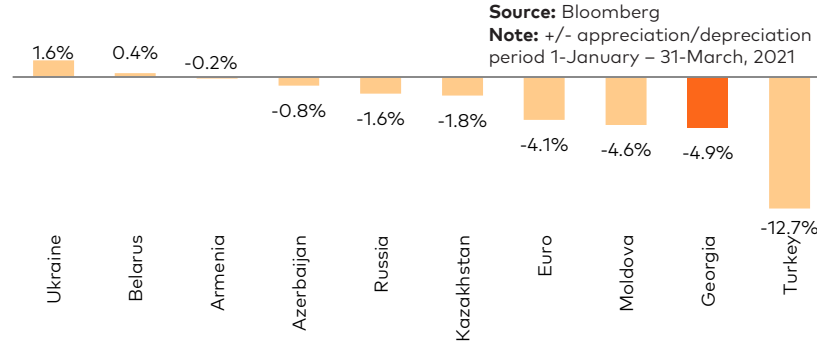


REAL ESTATE PRICE INDEX

Source: NBG, Geostat

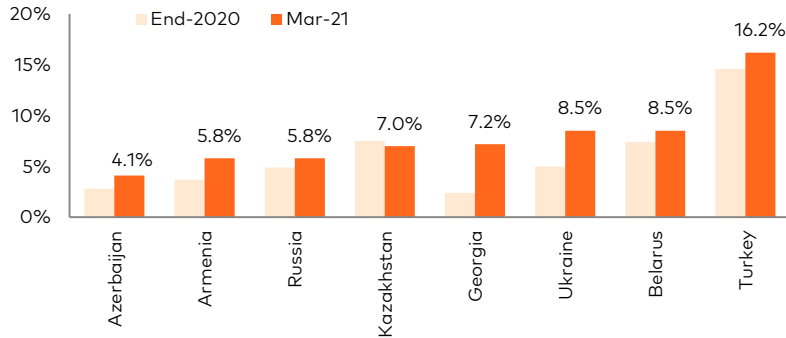


CURRENCY WEAKENING VS. US\$



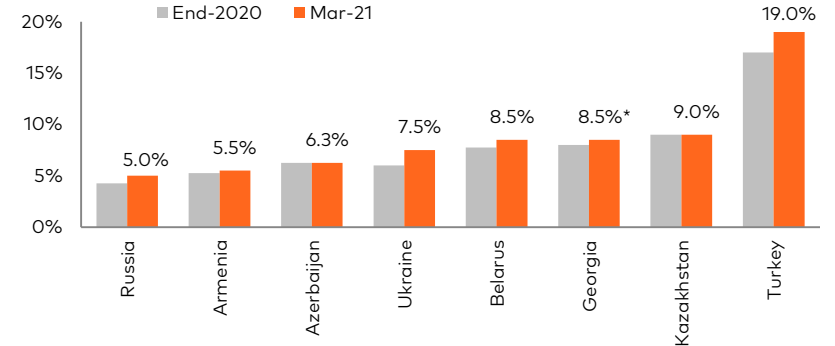
INFLATION: GEORGIA AND PEERS

Source: Statistic Offices



MONETARY POLICY RATE: GEORGIA AND PEERS

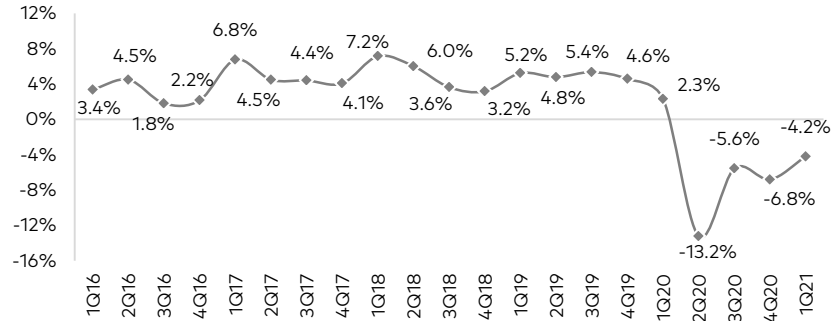
Source: Central Banks



* Raised to 9.5% at the end of April 2021

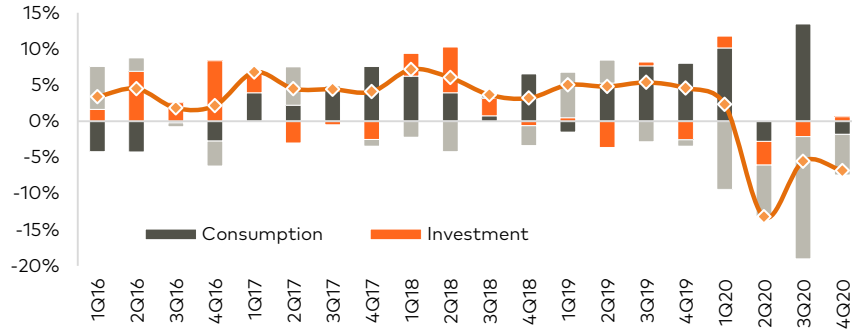
REAL GDP GROWTH BY QUARTER, % CHANGE YoY

Source: Geostat



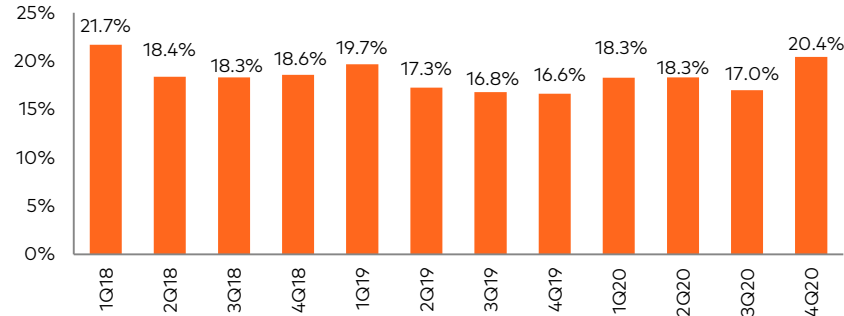
CONTRIBUTION TO REAL GDP GROWTH

Source: Geostat, Galt & Taggart



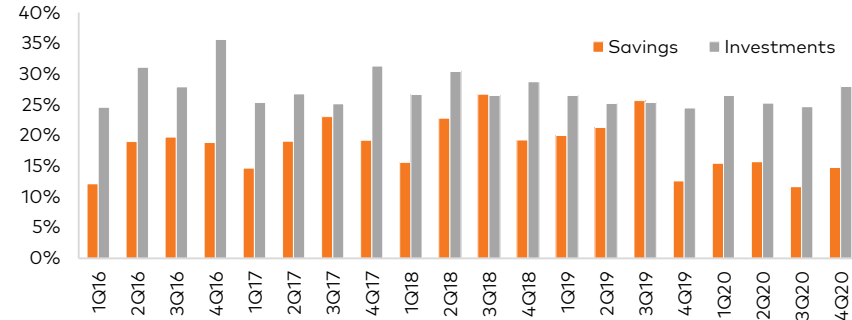
UNEMPLOYMENT RATE

Source: Geostat



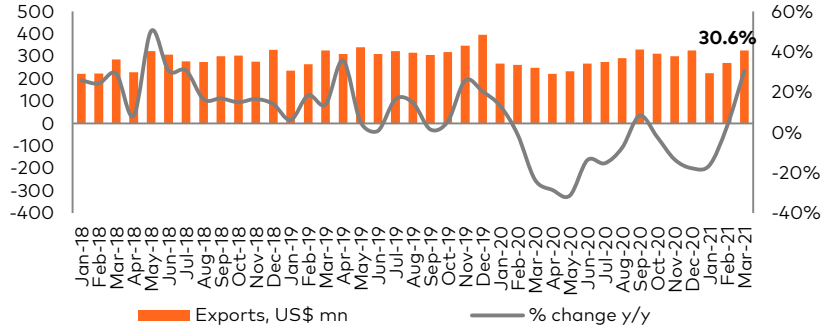
SAVINGS AND INVESTMENTS TO GDP

Source: Geostat



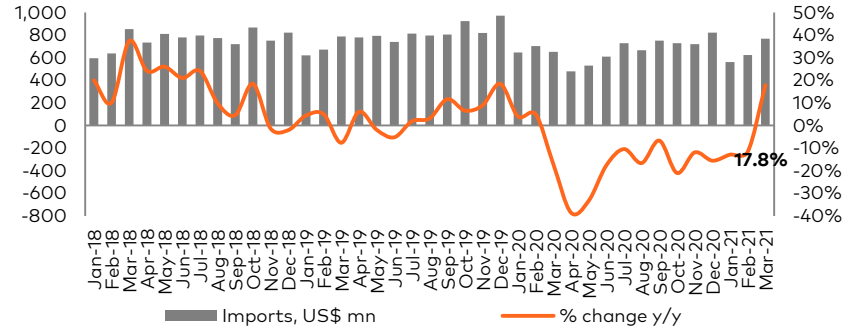
EXPORTS UP 5.2% YoY IN 1Q21

Source: Geostat



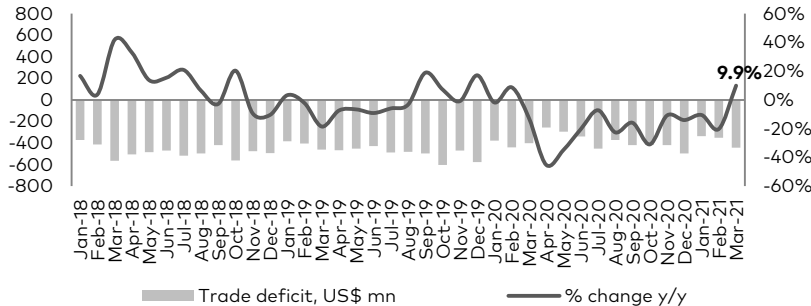
IMPORTS DOWN 2.4% YoY IN 1Q21

Source: Geostat



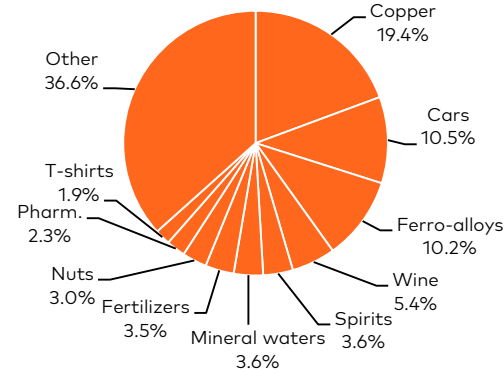
TRADE DEFICIT DOWN 7.3% YoY IN 1Q21

Source: Geostat

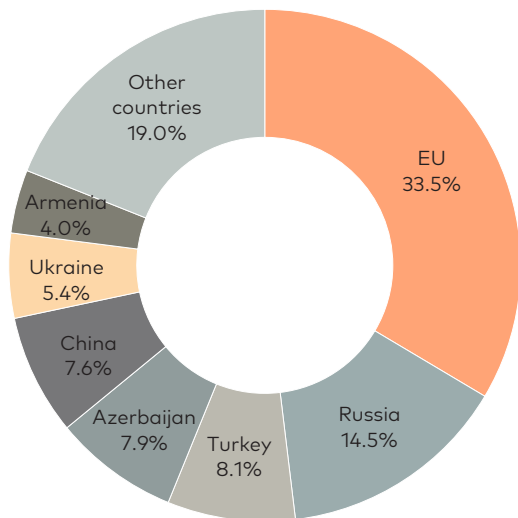


EXPORTS BY COMMODITY, 1Q21

Source: Geostat



EXPORTS, TOURISM, REMITTANCES AND FDI BY COUNTRY, 2020



Source: Geostat, NBG, GNTA, Galt & Taggart

ECONOMIC LINKAGES BREAKDOWN, 2020

No single country accounts for more than 20% in any particular category, minimising potential negative impact from any key partner

	Exports	Tourism	FDI	Remittances
EU	20.9%	11.5%	97.4%	41.5%
Russia	13.2%	18.2%	4.1%	19.3%
Azerbaijan	13.2%	7.5%	-5.0%	2.9%
Turkey	5.7%	20.3%	5.7%	5.7%
China	14.3%	0.5%	0.1%	0.1%
Ukraine	6.5%	4.6%	1.9%	4.6%
Armenia	5.6%	9.2%	1.1%	0.6%
Other countries	20.7%	28.2%	-18.0%	25.4%

Source: Geostat, NBG, GNTA, Galt & Taggart

Note: Negative investment means a sale of shares or distributed profit.

 **COVID-19 PANDEMIC AND MACROECONOMIC HIGHLIGHTS**

 **GROUP OVERVIEW AND STRATEGY**

 **1Q21 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES | SEGMENT RESULTS**

1  **BANK OF GEORGIA**

2  **SOLO**

3  **BANK OF GEORGIA BUSINESS**

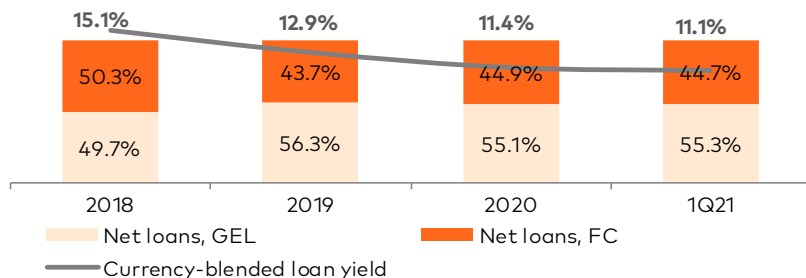
Segments	Mass Retail	Mass Affluent	MSME
Clients	2,345 k	63 k	233 k
Loans	GEL 2,995 mln	GEL 2,819 mln	GEL 3,480 mln
Deposits	GEL 3,555 mln	GEL 2,881 mln	GEL 979 mln
1Q21 profit	GEL 33 mln	GEL 23 mln	GEL 21 mln
P/C ratio	2.1	4.7	1.5
Branches	194	11	1

INCOME STATEMENT HIGHLIGHTS

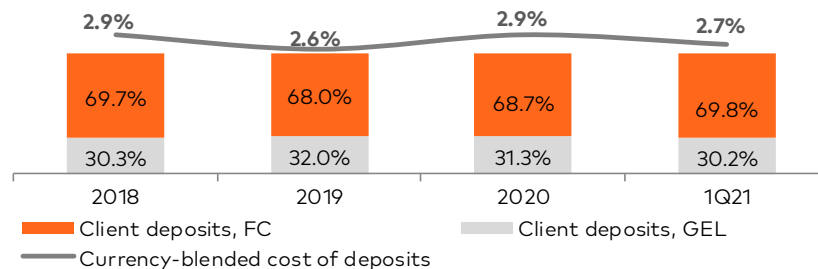
GEL thousands unless otherwise noted

	1Q21	1Q20	Change y-o-y	4Q20	Change q-o-q
Net interest income	131,448	118,266	11.1%	125,969	4.3%
Net fee and commission income	37,385	29,398	27.2%	34,660	7.9%
Net foreign currency gain	11,109	21,634	-48.7%	13,477	-17.6%
Net other income	8,841	1,906	NMF	13,918	-36.5%
Operating income	188,783	171,204	10.3%	188,024	0.4%
Salaries and other employee benefits	(40,055)	(40,568)	-1.3%	(44,821)	-10.6%
Administrative expenses	(18,393)	(20,732)	-11.3%	(24,339)	-24.4%
Depreciation, amortisation and impairment	(18,914)	(17,889)	5.7%	(17,828)	6.1%
Other operating expenses	(630)	(551)	14.3%	(1,087)	-42.0%
Operating expenses	(77,992)	(79,740)	-2.2%	(88,075)	-11.4%
Profit from associate	167	301	-44.5%	154	8.4%
Operating income before cost of risk	110,958	91,765	20.9%	100,103	10.8%
Cost of risk	(31,296)	(142,079)	-78.0%	(18,986)	64.8%
Net operating income / (loss) before non-recurring items	79,662	(50,314)	NMF	81,117	-1.8%
Net non-recurring items	156	(38,929)	NMF	149	4.7%
Profit / (loss) before income tax	79,818	(89,243)	NMF	81,266	-1.8%
Income tax (expense) / benefit	(5,834)	11,215	NMF	(5,218)	11.8%
Profit / (loss)	73,984	(78,028)	NMF	76,048	-2.7%

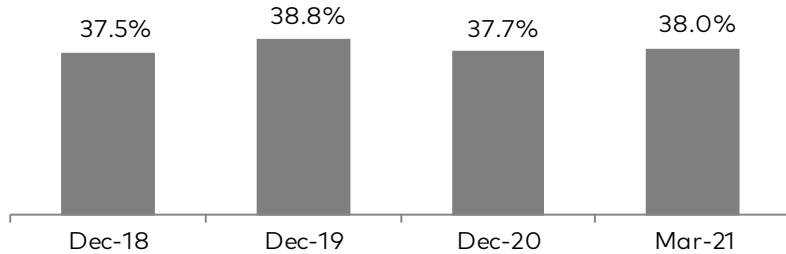
RB LOANS AND LOAN YIELD



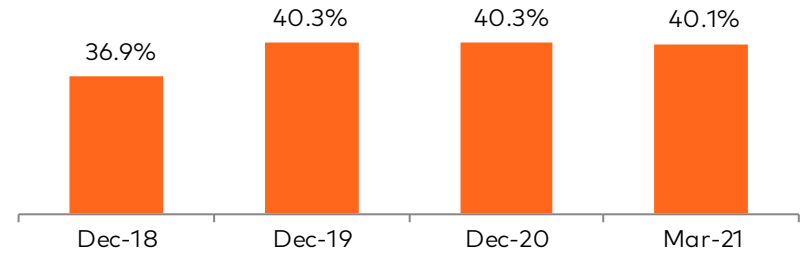
RB CLIENT DEPOSITS AND COST OF DEPOSITS



MARKET SHARE – LOANS TO INDIVIDUALS*

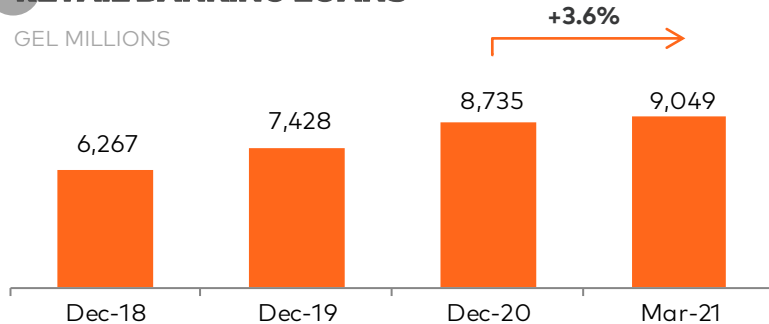


MARKET SHARE – DEPOSITS OF INDIVIDUALS*



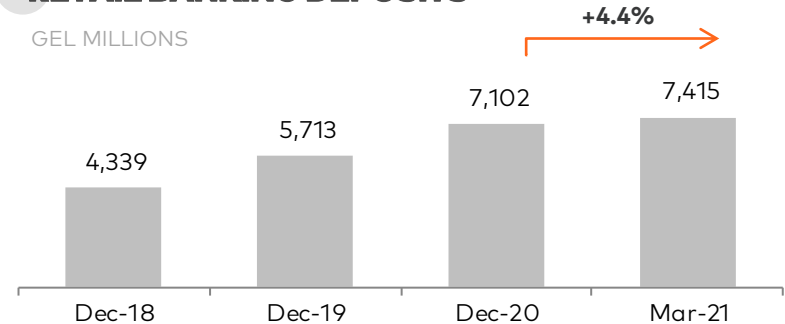
RETAIL BANKING LOANS

GEL MILLIONS



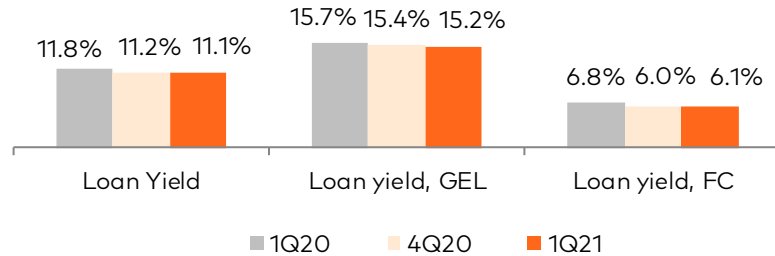
RETAIL BANKING DEPOSITS

GEL MILLIONS

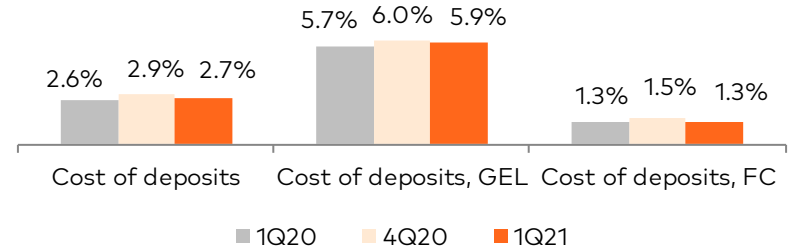


* Market shares by loans and deposits of individuals based on standalone accounts of the banks published by the National Bank of Georgia as at 31 March 2021

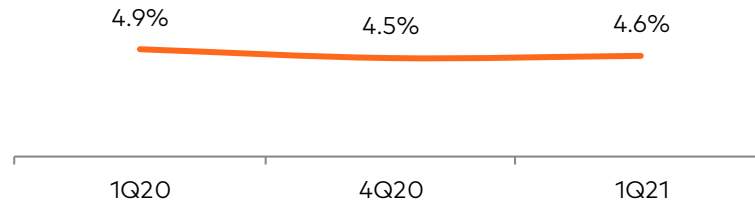
RETAIL BANKING LOAN YIELD I QUARTERLY



RETAIL BANKING COST OF DEPOSITS I QUARTERLY



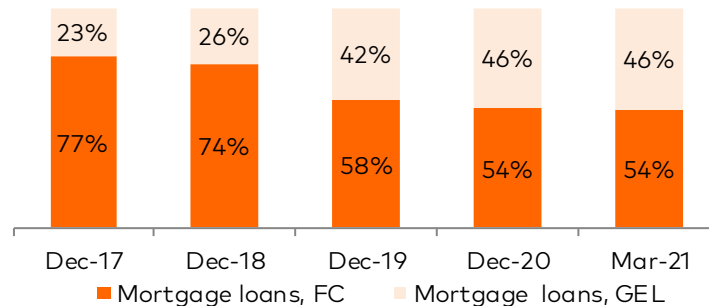
RETAIL BANKING NIM I QUARTERLY



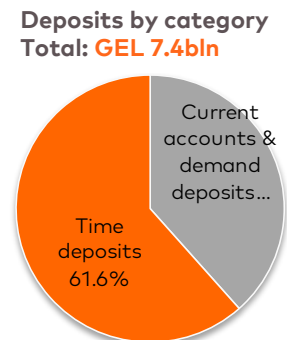
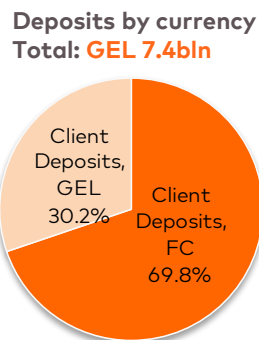
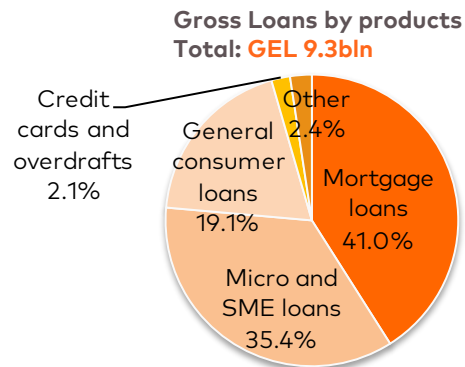
RETAIL BANKING CLIENT DATA

Operating Data, GEL mln	Mar-21	Dec-20	Dec-19	Dec-18
Number of total Retail clients, of which:	2,641,237	2,616,480	2,540,466	2,440,754
<i>Number of Solo clients</i>	62,556	60,330	54,542	44,292
Consumer and other loans, volume	2,001	1,924	1,726	1,555
Consumer and other loans, number	420,389	431,927	472,791	566,740
Mortgage loans, volume	3,813	3,734	3,043	2,539
Mortgage loans, number	53,582	52,665	46,907	39,007
Micro & SME loans, volume	3,289	3,126	2,523	2,005
Micro & SME loans, number	74,604	75,723	81,739	68,832
Credit cards and overdrafts, volume	192	198	245	290
Credit cards and overdrafts, number	315,147	303,283	395,012	454,512
Credit cards, number, of which:	233,974	264,311	395,536	547,038
<i>American Express cards</i>	98,379	97,318	99,307	105,899

MORTGAGE LOANS DOLLARISATION

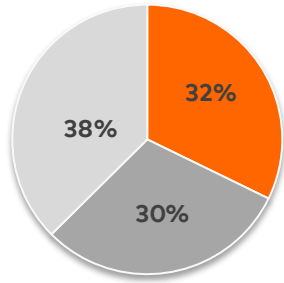


RETAIL BANKING PORTFOLIO | 31 MAR 2021

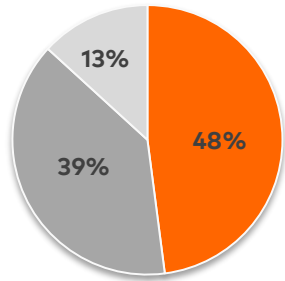


BALANCE SHEET | MAR-21

JSC Bank of Georgia Standalone



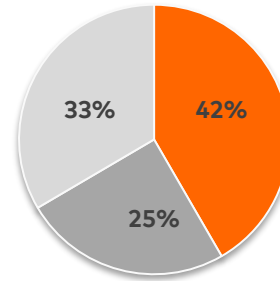
- Total Loans**
GEL 9,295mln
- Mass Retail (GEL 2,995mln)
 - Solo (GEL 2,819mln)
 - MSME (GEL 3,480mln)



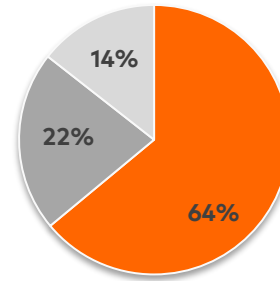
- Total Deposits**
GEL 7,415mln
- Mass Retail (GEL 3,555mln)
 - Solo (GEL 2,881mln)
 - MSME (GEL 979mln)

INCOME STATEMENT | 1Q21

JSC Bank of Georgia Standalone



- Net Interest Income**
GEL 131mln
- Mass Retail (GEL 55mln)
 - Solo (GEL 33mln)
 - MSME (GEL 44mln)



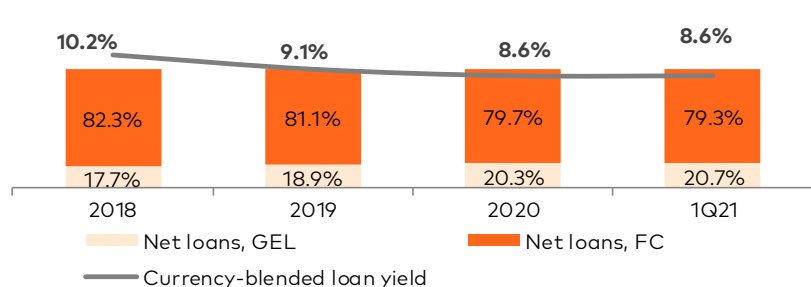
- Net Fee & Commission Income**
GEL 31mln
- Mass Retail (GEL 20mln)
 - Solo (GEL 7mln)
 - MSME (GEL 5mln)

INCOME STATEMENT HIGHLIGHTS

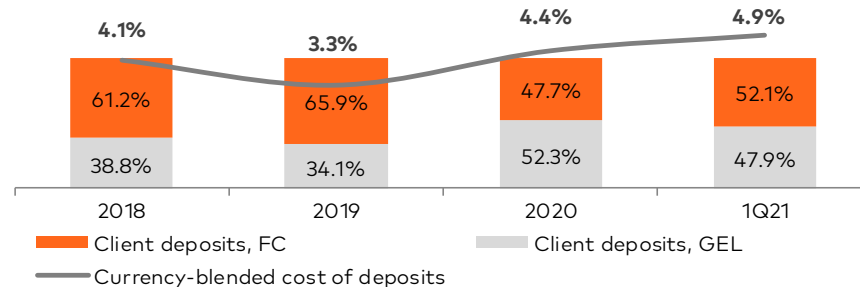
GEL thousands unless otherwise noted

	1Q21	1Q20	Change y-o-y	4Q20	Change q-o-q
Net interest income	72,532	69,341	4.6%	66,736	8.7%
Net fee and commission income	9,655	8,955	7.8%	10,933	-11.7%
Net foreign currency gain	4,521	8,534	-47.0%	11,017	-59.0%
Net other income	15,069	4,681	NMF	10,184	48.0%
Operating income	101,777	91,511	11.2%	98,870	2.9%
Salaries and other employee benefits	(14,905)	(10,561)	41.1%	(14,588)	2.2%
Administrative expenses	(3,503)	(4,466)	-21.6%	(5,215)	-32.8%
Depreciation, amortisation and impairment	(2,492)	(2,473)	0.8%	(2,400)	3.8%
Other operating expenses	(271)	(296)	-8.4%	(471)	-42.5%
Operating expenses	(21,171)	(17,796)	19.0%	(22,674)	-6.6%
Operating income before cost of risk	80,606	73,715	9.3%	76,196	5.8%
Cost of risk	(12,066)	(95,902)	-87.4%	(22,264)	-45.8%
Net operating income / (loss) before non-recurring items	68,540	(22,187)	NMF	53,932	27.1%
Net non-recurring items	(73)	(1,406)	-94.8%	-	NMF
Profit / (loss) before income tax	68,467	(23,593)	NMF	53,932	27.0%
Income tax (expense) / benefit	(6,864)	1,847	NMF	(4,079)	68.3%
Profit / (loss)	61,603	(21,746)	NMF	49,853	23.6%

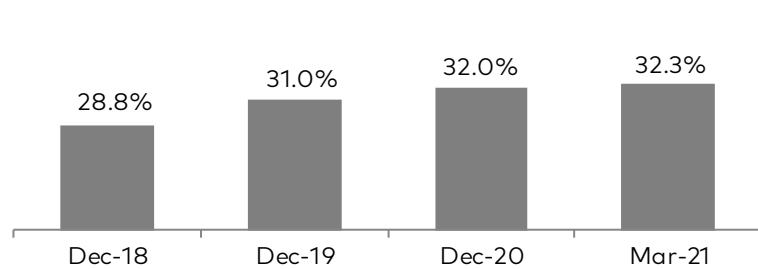
CIB LOAN PORTFOLIO AND LOAN YIELD



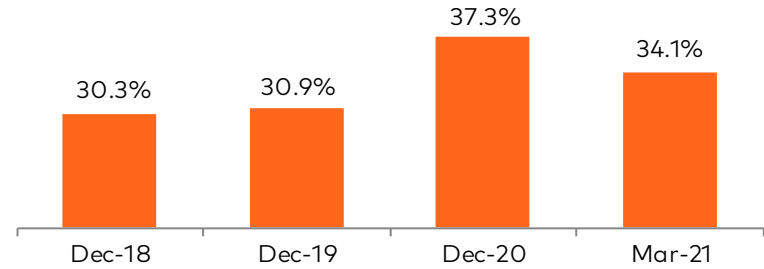
CIB CLIENT DEPOSITS AND COST OF DEPOSITS



MARKET SHARE – LOANS TO LEGAL ENTITIES*

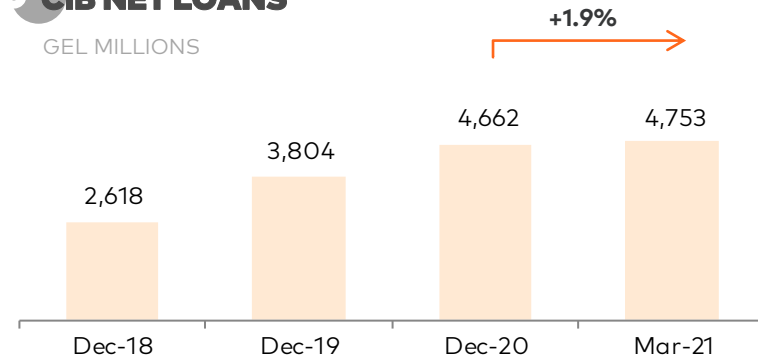


MARKET SHARE – DEPOSITS OF LEGAL ENTITIES*



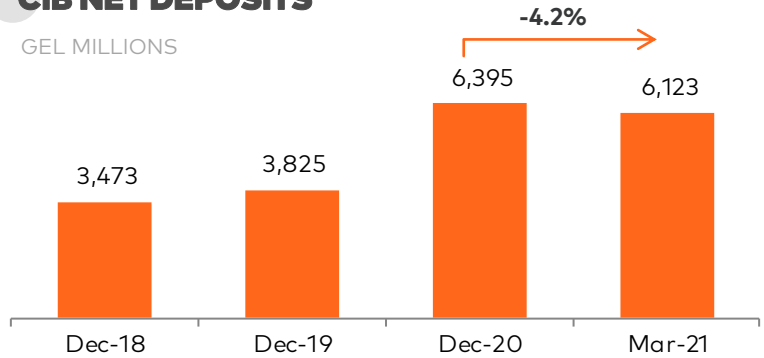
CIB NET LOANS

GEL MILLIONS



CIB NET DEPOSITS

GEL MILLIONS

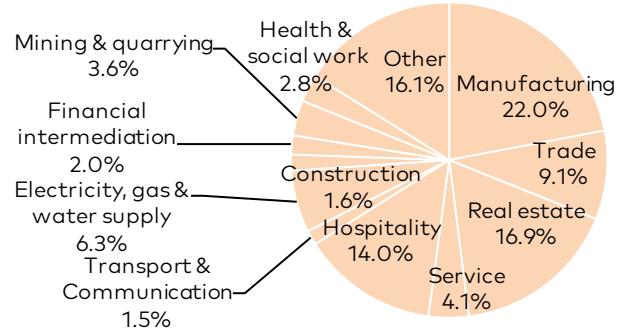


* Market shares by loans and deposits of legal entities based on standalone accounts of the banks published by the National Bank of Georgia as at 31 March 2021

HIGHLIGHTS

- **Leading corporate bank in Georgia**
- Integrated client coverage in key major sectors of the Georgian economy
- **3,125** corporate customers served by dedicated relationship bankers at 31 March 2021

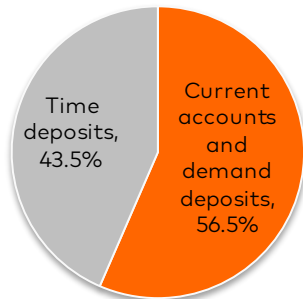
GROSS LOAN BOOK BY SECTOR | MAR-21



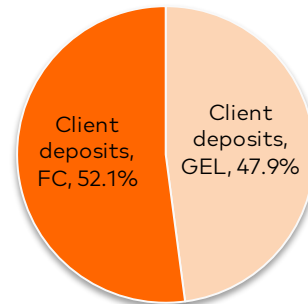
Top 10 CIB borrowers – 29.2% of CIB loan book

Top 20 CIB borrowers – 39.2% of CIB loan book

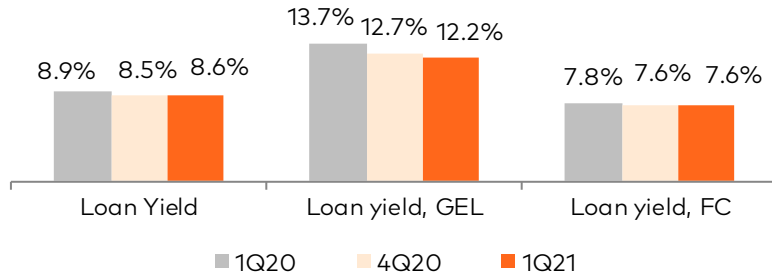
DEPOSITS BY CATEGORY | MAR-21



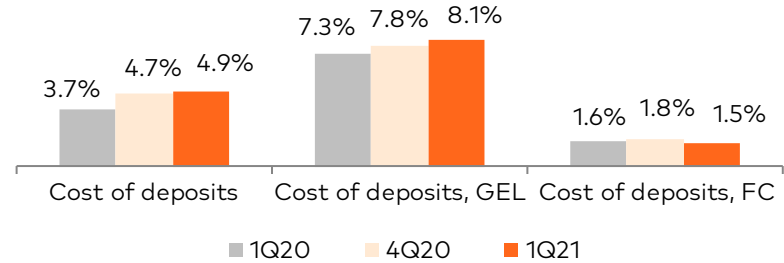
DEPOSITS BY CURRENCY | MAR-21



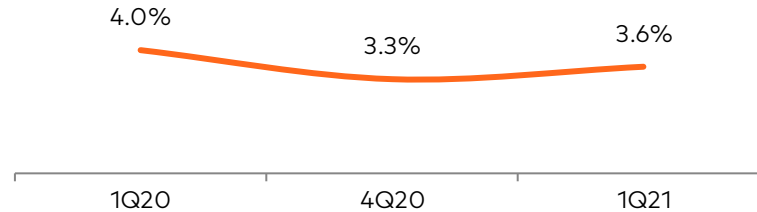
CIB LOAN YIELD I QUARTERLY



CIB COST OF DEPOSITS I QUARTERLY



CIB NIM I QUARTERLY



WEALTH MANAGEMENT



- **STRONG REGIONAL PRESENCE**
 - Israel (2008), UK (2010), Hungary (2012), Turkey (2013)



- CIB AUM - GEL 3,091 million, up 14.3% y-o-y
- Diversified funding base:

1,593
customers

from

78
countries

GALT & TAGGART

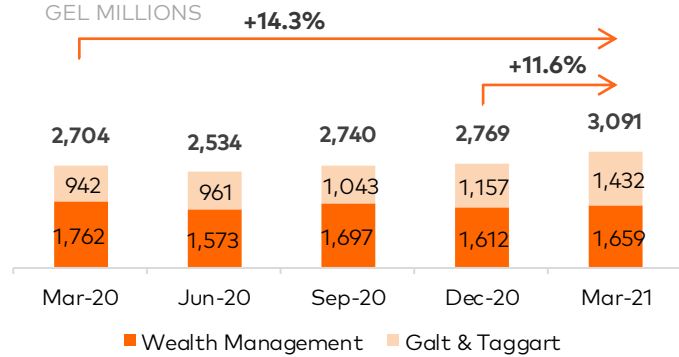


- **LARGEST INVESTMENT BANK IN GEORGIA**
- **BROKERAGE**
 - Leading brokerage house in the region
 - Exclusive partner of SAXO Bank via white label structure
- **RESEARCH**
 - Macro, sector, and fixed income coverage
 - Global market coverage
- **DCM/ECM**
 - Leading player on the local market
 - Lead manager of choice for corporates as well as IFIs
- **CORPORATE ADVISORY**
 - Track record of more than 30 completed transactions over the past eight years



GROWTH IN AUM

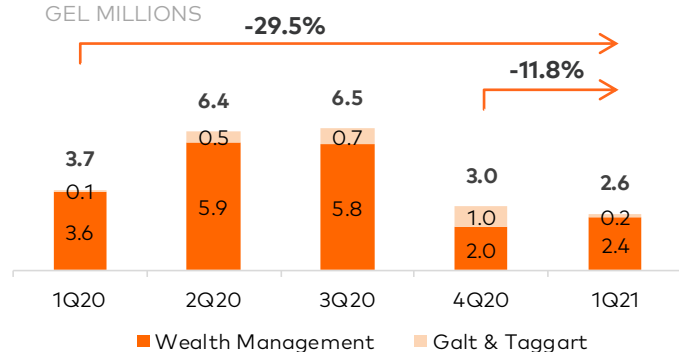
GEL MILLIONS



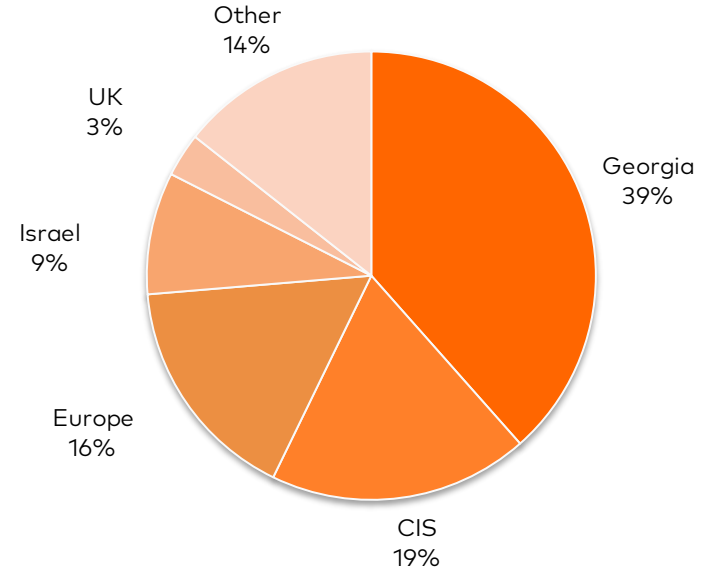
ROBUST PROFITABILITY

NET OPERATING PROFIT

GEL MILLIONS



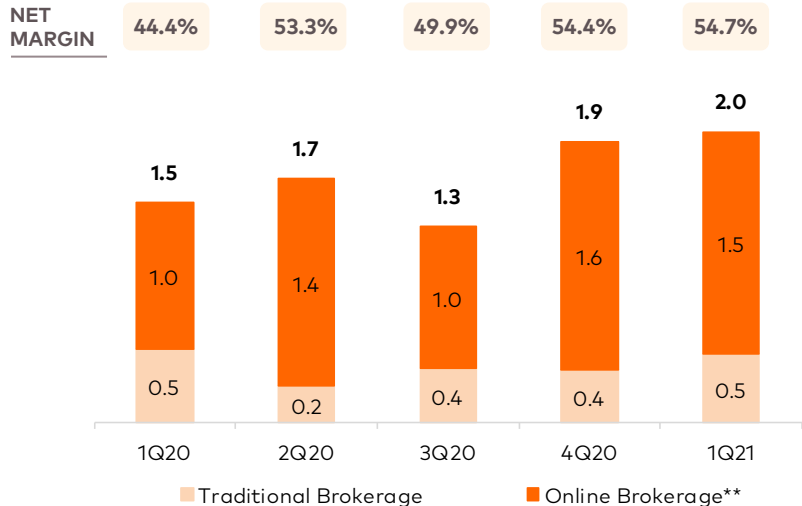
DIVERSIFIED CUSTOMER BASE ACROSS MULTIPLE GEOGRAPHIES



Addressable market to drive growth covers multiple geographies

GALT & TAGGART BROKERAGE – GROSS REVENUES AND NET MARGINS*

GEL MILLIONS



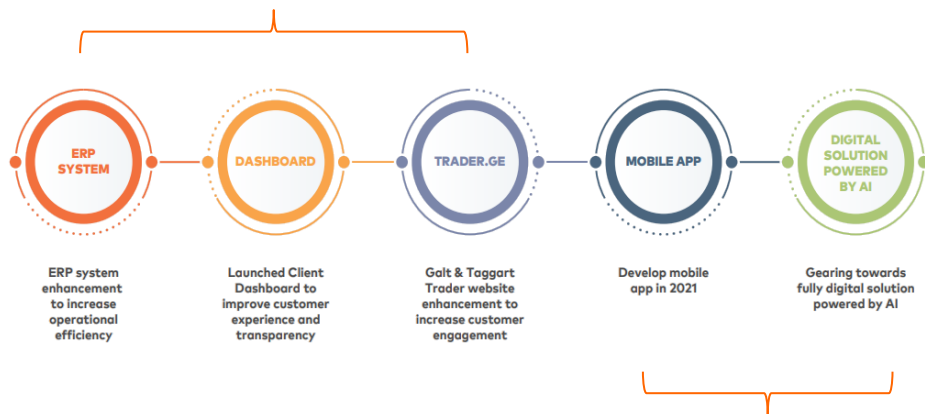
With investment phase behind, Galt & Taggart Brokerage business is now profitable and growing fast, driven by Online Brokerage

* Gross revenue stands for brokerage revenues before subtracting any brokerage and third-party brokerage fees; net margins are post these fees

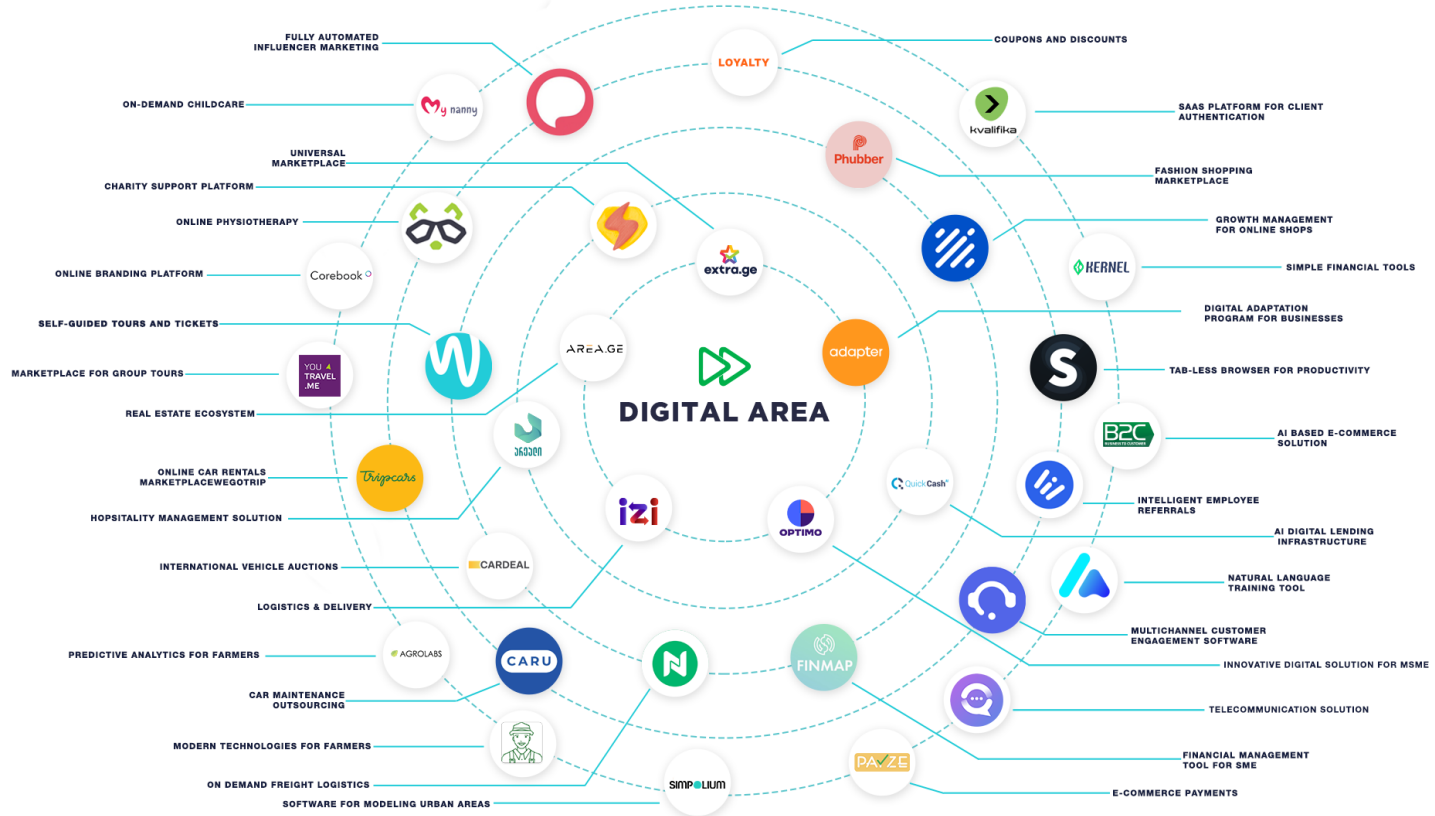
** Offered through the white label solution from SAXO Bank

FOCUS ON DIGITALISING BROKERAGE OFFERINGS

SIGNIFICANT MILESTONES TOWARDS DIGITALISATION ACHIEVED IN 2020



FOCUSING ON MOBILE AND FULLY DIGITAL SOLUTIONS



SINCE JUNE 2019

- Extra.ge – launch of web platform
- Extra.ge – largest e-commerce marketplace
- Extra.ge – launch on IOS and Android apps
- Optimo.ge – launch of merchant services
- Adapter.ge – launch of web platform
- Area.ge – launch of developer platform
- IZibox – launch of full logistic services
- Accelerated 28 local and international startups

**INVESTED US\$ 6.5 MLN
2018-1Q21**

COMING SOON

- Extra.ge – search and filtering improvements. Website and mobile app redesign
- Extra.ge – delivery price automatic calculation
- Optimo – launch loyalty programme
- Adapter.ge – launch for MSME manufacturers
- Area.ge – additional premium services
- Accelerate the uptake of real estate sales management tool with developer companies
- Continue partnerships with other ecosystem players
- Digital Area ecosystem data harnessing

**PLAN TO INVEST US\$ 3-10 MLN
2021-2023**

 **COVID-19 PANDEMIC AND MACROECONOMIC HIGHLIGHTS**

 **GROUP OVERVIEW AND STRATEGY**

 **1Q21 RESULTS**

 **GEORGIAN MACRO OVERVIEW**

 **APPENDICES | CORPORATE GOVERNANCE**

ROBUST CORPORATE GOVERNANCE BASED ON UK CORPORATE GOVERNANCE CODE



Neil Janin, Independent Non-Executive Chairman

Experience: formerly Director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Banking New York and Paris



Hanna Loikkanen, Senior Independent Non-Executive Director

Experience: Non-Executive Director of PJSC Rosbank; Non-Executive Director of FinnFund, Non-Executive Director of VEF Ltd; formerly: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB.



Tamaz Georgadze, Independent Non-Executive Director

Experience: Executive Director and founder of Raisin GmbH (formerly SavingGlobal GmbH); formerly: Partner at McKinsey & Company in Berlin, aide to President of Georgia



Cecil Quillen, Independent Non-Executive Director

Experience: Partner at Linklaters LLP with nearly 30 years of experience in working on a broad spectrum of securities and finance matters



Mariam Megvinetukhutsesi, Independent Non-Executive Director

Experience: 20 years' in Financial Services; formerly: Head of Georgia's Investors Council Secretariat, Deputy CEO at TBC Bank, banking appointments at the EBRD



Archil Gachechiladze, Chief Executive Officer

Experience: with the Group since 2009; originally joined as Deputy CEO, Corporate Banking; formerly: CEO of Georgian Global Utilities (formerly part of BGEO Group PLC). Over 17 years' experience in the financial services



Al Breach, Independent Non-Executive Director

Experience: Director of Gemsstock Ltd, The Browser and Furka Holdings AG, and advisor to East Capital; formerly: Head of Research, Strategist & Economist at UBS Russia and CIS, economist at Goldman Sachs



Jonathan Muir, Independent Non-Executive Director

Experience: CEO of LetterOne Holdings SA and of LetterOne Investment Holdings; formerly: CFO and Vice President of Finance and Control of TNK-BP, Partner at Ernst & Young



Véronique McCarroll, Independent Non-Executive Director

Experience: 30 years' in Financial Services; Currently, Head of Strategy for Digital banking across Europe at Orange; formerly: Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young

SENIOR EXECUTIVE COMPENSATION POLICY APPLIES TO TOP EXECUTIVES AND ENVISAGES LONG-TERM DEFERRED AND DISCRETIONARY AWARDS OF SECURITIES AND NO CASH BONUSES TO BE PAID TO SUCH EXECUTIVES



Archil Gachechiladze, Chief Executive Officer

With the Group since 2009. Previously, CEO of Georgian Global Utilities. Held various positions with the Group - Deputy CEO, CB; Deputy CEO, IM; CFO of BGEO Group; Deputy CEO, CIB. Over 20 years of experience of senior roles at TBC Bank, Lehman Brothers Private Equity, Salford Equity Partners, KPMG, World Bank, EBRD. Holds and MBA from Cornell University.



Sul Khan Gvalia, Chief Financial Officer

With the Group since 2004. Previously, founder and CEO of E-Space Limited, Tbilisi. Various positions with the Group - Chief Risk Officer and Head of Corporate Banking. Prior to joining the Group, served as Deputy CEO of TbilUniversalBank. Also, serves as non-executive independent director at Inecobank (Armenia) since 2018. Holds a law degree from Tbilisi State University.



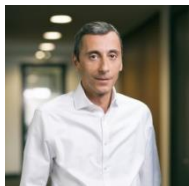
Levan Kulijanishvili, Deputy CEO, Operations

With the Group since 1997. Joined as a Junior Financial Analyst of the Bank. Held various senior positions - Deputy CEO in charge of finance, Head of Internal Audit, Head of Financial Monitoring, Head of Strategy and Planning, and Head of the Financial Analysis. Holds an MBA from Grenoble Graduate School of Business.



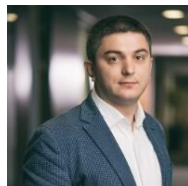
George Chiladze, Deputy CEO, Chief Risk Officer

With the Group since 2008. Joined as a Deputy CEO, finance at Bank. Left in 2011 and rejoined in 2013 as Deputy CEO, CRO. Prior to rejoining, he was Deputy CEO at the Partnership Fund. Prior to returning to Georgia in 2003, he worked at the programme trading desk at Bear Stearns in New York City. Holds a PhD in physics from Johns Hopkins University in Baltimore, Maryland.



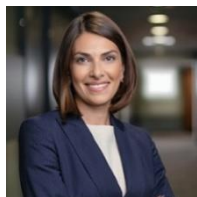
Mikheil Gomarteli, Deputy CEO, Mass Retail

With the Group since 1997. Mikheil is a textbook professional growth story made possible in our Group - he developed his way from selling debit cards door-to-door to successfully leading our Retail Banking franchise for over ten years now. Holds an undergraduate degree in Economics from Tbilisi State University.



Vakhtang Bobokhidze, Deputy CEO, Information Technology, Data Analytics, Digital Channels

With the Group since 2005. Joined as Quality Control Manager. Left the Group in 2010 and rejoined the Group in December 2010. Prior to being appointed as Deputy CEO, served as Head of IT Department since 2016. Holds an MBA from Tbilisi State University.



Etuna Iremadze, Deputy CEO, Premium Business Banking

With the Group since 2006. Around 20 years of experience in financial services. Previously, Head of Strategic Projects Department in Georgian Global Utilities (formerly part of BGEO Group). Held various positions within Group - Head of Blue Chip Corporate Banking Unit covering structured lending, M&As, significant buyouts in Georgia, project financing. Holds an MBA from Grenoble Graduate School of Business.



Zurab Masurashvili, Head of SME Business Banking

With the Group since 2015. Extensive experience in financial services. Previously, Head of Express Business, Head of MSME Business, Head of Retail Business in the Bank. Prior to joining the Group, held several positions in international organisations - EBRD, the World Bank, GTZ, served as a Deputy Chairman of the Board of Directors in Privatbank. Holds a degree in Geology from Georgian Technical University.



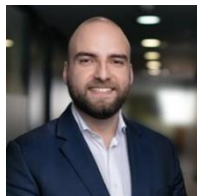
Zurab Kokosadze, Deputy CEO, Corporate Banking

With the Group since 2003. Around 20 years of experience in financial services. Prior to his recent appointment, he served as Head of Corporate Banking under the direct supervision of Deputy CEO, Corporate and Investment Banking. Held various senior positions within Group – Senior Corporate Banker, FMCG Sector Head and Deputy Head of Corporate Banking. Holds an MBA from Grenoble Graduate School of Business.



Andro Ratiani, CEO of Digital Area

With the Group since 2018. Extensive experience in the global financial services. Previously, Head of Innovations and Bank of Georgia, Global Head of Product Management at IHS Markit, spent 6 years in UBS AG Investment & Wealth Management Bank in New York, worked in Wells Fargo during acquisition phase of Wachovia Bank. Started his career at the Bank's CIB Department. Holds a Master's degree in technology management from Columbia University.



Levan Gomshiashvili, Chief Marketing Officer

With the Group since 2019. Extensive experience in marketing. Founder of HOLMES&WATSON, creative agency, where he acted as Account Manager for banking and other sector clients. Founder of Tbilisi School of Communication, an educational facility with an emphasis on ExEd. Started his career in Georgian Railway, covering advertising and project management. Holds MSc in Management from University of Edinburgh.



Nutsa Gogilashvili, Head of Customer Experience and HCM

With the Group since 2016. Over 10 years of experience in financial services. Previously, Head of Strategic Processes of Corporate and Investment Banking and Head of Customer Experience Management in the Bank. Prior to joining the Group, held various senior positions in local and international financial institutions. Holds MSc in Finance from Cass Business School in London.

 **COVID-19 PANDEMIC AND MACROECONOMIC HIGHLIGHTS**

 **GROUP OVERVIEW AND STRATEGY**

 **1Q21 RESULTS**

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 **APPENDICES | FINANCIAL AND OPERATING INFORMATION**

GROUP INCOME STATEMENT

80

GEL thousands, unless otherwise noted

	1Q21	1Q20	Change y-o-y	4Q20	Change q-o-q
Interest income	428,580	388,326	10.4%	420,398	1.9%
Interest expense	(216,248)	(191,246)	13.1%	(218,802)	-1.2%
Net interest income	212,332	197,080	7.7%	201,596	5.3%
Fee and commission income	76,446	70,894	7.8%	77,382	-1.2%
Fee and commission expense	(27,796)	(30,782)	-9.7%	(30,424)	-8.6%
Net fee and commission income	48,650	40,112	21.3%	46,958	3.6%
Net foreign currency gain	19,176	30,661	-37.5%	26,457	-27.5%
Net other income	23,482	6,627	NMF	25,016	-6.1%
Operating income	303,640	274,480	10.6%	300,027	1.2%
Salaries and other employee benefits	(60,223)	(56,538)	6.5%	(64,243)	-6.3%
Administrative expenses	(23,563)	(27,021)	-12.8%	(31,617)	-25.5%
Depreciation, amortisation and impairment	(22,561)	(21,390)	5.5%	(21,283)	6.0%
Other operating expenses	(1,012)	(1,059)	-4.4%	(1,714)	-41.0%
Operating expenses	(107,359)	(106,008)	1.3%	(118,857)	-9.7%
Profit from associates	167	301	-44.5%	154	8.4%
Operating income before cost of risk	196,448	168,773	16.4%	181,324	8.3%
Expected credit loss on loans to customers	(28,236)	(228,189)	-87.6%	(14,579)	93.7%
Expected credit loss on finance lease receivables	(931)	(1,885)	-50.6%	(381)	144.4%
Other expected credit loss and impairment charge on other assets and provisions	(14,950)	(11,329)	32.0%	(23,471)	-36.3%
Cost of risk	(44,117)	(241,403)	-81.7%	(38,431)	14.8%
Net operating income / (loss) before non-recurring items	152,331	(72,630)	NMF	142,893	6.6%
Net non-recurring items	17	(40,345)	NMF	21	-19.0%
Profit / (loss) before income tax expense	152,348	(112,975)	NMF	142,914	6.6%
Income tax (expense) / benefit	(13,424)	13,030	NMF	(11,065)	21.3%
Profit / (loss)	138,924	(99,945)	NMF	131,849	5.4%
Profit / (loss) attributable to:					
– shareholders of the Group	138,214	(99,515)	NMF	131,220	5.3%
– non-controlling interests	710	(430)	NMF	629	12.9%
Earnings / (loss) per share (basic)	2.87	(2.09)	NMF	2.76	4.0%
Earnings / (loss) per share (diluted)	2.87	(2.08)	NMF	2.76	4.0%

GROUP BALANCE SHEET

GEL thousands, unless otherwise noted

	Mar-21	Mar-20	Change y-o-y	Dec-20	Change q-o-q
Cash and cash equivalents	2,361,663	1,507,142	56.7%	1,970,955	19.8%
Amounts due from credit institutions	2,200,803	1,954,218	12.6%	2,016,005	9.2%
Investment securities	2,406,405	1,917,772	25.5%	2,544,397	-5.4%
Loans to customers and finance lease receivables	14,601,275	13,144,429	11.1%	14,192,078	2.9%
Accounts receivable and other loans	6,051	3,460	74.9%	2,420	150.0%
Prepayments	33,921	42,144	-19.5%	27,593	22.9%
Inventories	10,775	13,342	-19.2%	10,340	4.2%
Right-of-use assets	81,056	92,335	-12.2%	83,208	-2.6%
Investment property	246,441	208,776	18.0%	231,241	6.6%
Property and equipment	385,352	380,580	1.3%	387,851	-0.6%
Goodwill	33,351	33,351	0.0%	33,351	0.0%
Intangible assets	129,044	112,152	15.1%	125,806	2.6%
Income tax assets	3,668	71,500	-94.9%	22,033	-83.4%
Other assets	208,135	134,578	54.7%	325,994	-36.2%
Assets held for sale	44,305	47,914	-7.5%	62,648	-29.3%
Total assets	22,752,245	19,663,693	15.7%	22,035,920	3.3%
Client deposits and notes	14,003,209	10,835,918	29.2%	14,020,209	-0.1%
Amounts owed to credit institutions	4,039,250	4,144,701	-2.5%	3,335,966	21.1%
Debt securities issued	1,653,399	2,294,431	-27.9%	1,585,545	4.3%
Lease liabilities	97,488	104,976	-7.1%	95,635	1.9%
Accruals and deferred income	59,455	34,470	72.5%	53,894	10.3%
Income tax liabilities	57,541	80,601	-28.6%	62,434	-7.8%
Other liabilities	154,253	121,341	27.1%	332,322	-53.6%
Total liabilities	20,064,595	17,616,438	13.9%	19,486,005	3.0%
Share capital	1,618	1,618	0.0%	1,618	0.0%
Additional paid-in capital	532,787	483,006	10.3%	526,634	1.2%
Treasury shares	(34)	(54)	-37.0%	(54)	-37.0%
Other reserves	61,857	7,141	NMF	71,227	-13.2%
Retained earnings	2,079,362	1,546,456	34.5%	1,939,122	7.2%
Total equity attributable to shareholders of the Group	2,675,590	2,038,167	31.3%	2,538,547	5.4%
Non-controlling interests	12,060	9,088	32.7%	11,368	6.1%
Total equity	2,687,650	2,047,255	31.3%	2,549,915	5.4%
Total liabilities and equity	22,752,245	19,663,693	15.7%	22,035,920	3.3%
Book value per share	55.59	42.88	29.6%	53.41	4.1%

INCOME STATEMENT HIGHLIGHTS

GEL thousands, unless otherwise noted

	1Q21	1Q20	Change y-o-y	4Q20	Change q-o-q
Net interest income	8,347	9,469	-11.8%	8,888	-6.1%
Net fee and commission income	1,570	1,703	-7.8%	1,268	23.8%
Net foreign currency gain	3,546	493	NMF	1,963	80.6%
Net other (expense) / income	(237)	334	NMF	1,240	NMF
Operating income	13,226	11,999	10.2%	13,359	-1.0%
Operating expenses	(8,342)	(8,706)	-4.2%	(8,334)	0.1%
Operating income before cost of risk	4,884	3,293	48.3%	5,025	-2.8%
Cost of risk	(755)	(3,422)	-77.9%	2,819	NMF
Net non-recurring items	(66)	(10)	NMF	(128)	-48.4%
Profit / (loss) before income tax	4,063	(139)	NMF	7,716	-47.3%
Income tax (expense) / benefit	(726)	(32)	NMF	(1,768)	-58.9%
Profit / (loss)	3,337	(171)	NMF	5,948	-43.9%

BALANCE SHEET HIGHLIGHTS

GEL thousands, unless otherwise noted

	Mar-21	Mar-20	Change y-o-y	Dec-20	Change q-o-q
Cash and cash equivalents	192,338	150,349	27.9%	163,193	17.9%
Amounts due from credit institutions	66,673	13,141	NMF	20,042	NMF
Investment securities	94,952	81,592	16.4%	94,459	0.5%
Loans to customers and finance lease receivables	705,261	671,854	5.0%	698,542	1.0%
Other assets	50,418	54,981	-8.3%	42,416	18.9%
Total assets	1,109,642	971,917	14.2%	1,018,652	8.9%
Client deposits and notes	587,724	643,614	-8.7%	589,152	-0.2%
Amounts owed to credit institutions	347,018	143,374	142.0%	234,641	47.9%
Debt securities issued	20,761	51,063	-59.3%	34,067	-39.1%
Other liabilities	17,498	13,407	30.5%	28,237	-38.0%
Total liabilities	973,001	851,458	14.3%	886,097	9.8%
Total equity	136,641	120,459	13.4%	132,555	3.1%
Total liabilities and equity	1,109,642	971,917	14.2%	1,018,652	8.9%

	1Q21	1Q20	4Q20
Profitability			
ROAA, annualised	2.5%	-2.1%	2.4%
ROAE, annualised	21.5%	-18.6%	21.3%
<i>RB ROAE</i>	20.7%	-25.5%	22.0%
<i>CIB ROAE</i>	24.1%	-10.6%	20.7%
Net interest margin, annualised	4.5%	5.0%	4.4%
<i>RB NIM</i>	4.6%	4.9%	4.5%
<i>CIB NIM</i>	3.6%	4.0%	3.3%
Loan yield, annualised	10.4%	10.8%	10.4%
<i>RB Loan yield</i>	11.1%	11.8%	11.2%
<i>CIB Loan yield</i>	8.6%	8.9%	8.5%
Liquid assets yield, annualised	3.1%	3.9%	3.0%
Cost of funds, annualised	4.5%	4.7%	4.6%
Cost of client deposits and notes, annualised	3.8%	3.1%	3.8%
<i>RB Cost of client deposits and notes</i>	2.7%	2.6%	2.9%
<i>CIB Cost of client deposits and notes</i>	4.9%	3.7%	4.7%
Cost of amounts owed to credit institutions, annualised	6.2%	7.6%	6.6%
Cost of debt securities issued	6.9%	7.6%	7.0%
Operating leverage, y-o-y	9.3%	-9.2%	-0.8%
Operating leverage, q-o-q	10.9%	1.5%	-7.3%
Efficiency			
Cost / Income	35.4%	38.6%	39.6%
<i>RB Cost / Income</i>	41.3%	46.6%	46.8%
<i>CIB Cost / Income</i>	20.8%	19.4%	22.9%

* For the description of Key Ratios, refer to page 86

	1Q21	1Q20	4Q20
Liquidity			
NBG liquidity coverage ratio (<i>minimum requirement 100%</i>)	149.3%	121.2%	138.6%
Liquid assets to total liabilities	34.7%	30.5%	33.5%
Net loans to client deposits and notes	104.3%	121.3%	101.2%
Net loans to client deposits and notes + DFIs	90.0%	104.9%	89.4%
Leverage (times)	7.5	8.6	7.6
Asset Quality:			
NPLs (in GEL)	534,626	284,038	545,837
NPLs to gross loans to clients	3.6%	2.1%	3.7%
NPL coverage ratio	77.5%	147.2%	76.3%
NPL coverage ratio, adjusted for discounted value of collateral	127.8%	194.9%	128.8%
Cost of credit risk, annualised	0.8%	7.4%	0.4%
<i>RB Cost of credit risk</i>	1.4%	7.4%	0.6%
<i>CIB Cost of credit risk</i>	-0.2%	8.3%	0.4%
Capital Adequacy:			
NBG (Basel III) CET1 capital adequacy ratio	11.2%	8.3%	10.4%
<i>Minimum regulatory requirement</i>	7.8%	6.9%	7.4%
NBG (Basel III) Tier I capital adequacy ratio	13.3%	10.6%	12.4%
<i>Minimum regulatory requirement</i>	9.8%	8.7%	9.2%
NBG (Basel III) Total capital adequacy ratio	18.6%	15.3%	17.6%
<i>Minimum regulatory requirement</i>	13.8%	13.3%	13.8%

* For the description of Key Ratios, refer to page 86

	Mar-21	Mar-20	Dec-20
Selected operating data:			
Total assets per FTE	3,054	2,676	2,993
Number of active branches, of which:	211	233	211
- Express branches (including Metro)	105	124	105
- Bank of Georgia branches	95	97	95
- Solo lounges	11	12	11
Number of ATMs	963	939	960
Number of cards outstanding, of which:	2,111,255	2,160,942	2,137,744
- Debit cards	1,877,281	1,791,937	1,873,433
- Credit cards	233,974	369,005	264,311
Number of POS terminals	30,053	22,472	27,184
Number of Express Pay terminals	3,125	3,183	3,020
FX Rates:			
GEL/US\$ exchange rate (period-end)	3.4118	3.2845	3.2766
GEL/GBP exchange rate (period-end)	4.6929	4.0725	4.4529
Full time employees (FTE), of which:			
- Full time employees, BOG standalone	7,450	7,349	7,363
- Full time employees, BNB	5,889	5,851	5,821
- Full time employees, other	536	550	537
	1,025	948	1,005
Shares outstanding			
Ordinary shares	48,130,454	47,528,704	47,530,584
Treasury shares	1,038,974	1,640,724	1,638,844
Total shares outstanding	49,169,428	49,169,428	49,169,428

- **Cost of funds** Interest expense of the period divided by monthly average interest bearing liabilities;
- **Cost of credit risk** Expected loss on loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period;
- **Cost to income ratio** Operating expenses divided by operating income;
- **Interest bearing liabilities** Amounts owed to credit institutions, client deposits and notes, and debt securities issued;
- **Interest earning assets (excluding cash)** Amounts due from credit institutions, investment securities (but excluding corporate shares) and net loans to customers and finance lease receivables;
- **Leverage (times)** Total liabilities divided by total equity;
- **Liquid assets** Cash and cash equivalents, amounts due from credit institutions and investment securities;
- **Liquidity coverage ratio (LCR)** High quality liquid assets (as defined by NBG) divided by net cash outflows over the next 30 days (as defined by NBG);
- **Loan yield** Interest income from loans to customers and finance lease receivables divided by monthly average gross loans to customers and finance lease receivables;
- **NBG (Basel III) Common Equity Tier I capital adequacy ratio** Common Equity Tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **NBG (Basel III) Tier I capital adequacy ratio** Tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **NBG (Basel III) Total capital adequacy ratio** Total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **Net interest margin (NIM)** Net interest income of the period divided by monthly average interest earning assets excluding cash for the same period;
- **Net stable funding ratio (NSFR)** available amount of stable funding (as defined by NBG) divided by the required amount of stable funding (as defined by NBG)
- **Non-performing loans (NPLs)** The principal and interest on loans overdue for more than 90 days and any additional potential losses estimated by management;
- **NPL coverage ratio** Allowance for expected credit loss of loans and finance lease receivables divided by NPLs;
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for expected credit loss);
- **Operating leverage** Percentage change in operating income less percentage change in operating expenses;
- **Return on average total assets (ROAA)** Profit for the period divided by monthly average total assets for the same period;
- **Return on average total equity (ROAE)** Profit for the period attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same period;
- **NMF** Not meaningful

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Secretary

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Stock Listing

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Ticker: "BGEO.LN"

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Please note that Investor Centre is a free, secure online service run by our Registrar, Computershare, giving you convenient access to information on your shareholdings.

Investor Centre Web Address - www.investorcentre.co.uk
Investor Centre Shareholder Helpline - +44 (0)370 873 5866

Share price information

Shareholders can access both the latest and historical prices via the website, www.bankofgeorgiagroup.com